

Adopted

Volume I



Dusk in Downtown Lynchburg

FY 2011 Operating Budget



VIRGINIA

**ADOPTED
FY 2011 OPERATING BUDGET
OF THE CITY OF LYNCHBURG, VIRGINIA**

General, Fleet, Airport, Water, Sewer, and Other Funds

CITY COUNCIL

*Joan F. Foster, Mayor, At Large
Bertram F. Dodson, Jr., Vice Mayor, At Large
J. Randolph Nelson, At Large
Michael A. Gillette, Ward I
Ceasor T. Johnson, Ward II
Jeff S. Helgeson, Ward III
Edgar J. T. Perrow, Jr., Ward IV*

CITY MANAGER

L. Kimball Payne, III

LEADERSHIP TEAM

*Bonnie Svrcek, Deputy City Manager and Acting Director of Community Development
Walter C. Erwin, III, City Attorney
Bill Aldrich, Director of Emergency Services
Greg Daniels, City Assessor
Lynn Dodge, Director of Libraries and Museums
Michael Doucette, Commonwealth Attorney
Brad Ferguson, Chief of Fire and Emergency Medical Services
Kay Frazier, Director of Parks and Recreation Services
Marjette Glass, Director of Economic Development
Michael Goetz, Director of Information Technology
Mark Johnson, Director of Social Services
Leslie King, Assistant to the City Manager
JoAnn Martin, Director of Communications and Marketing
John McCorkhill, Director of Fleet Services
Timothy Mitchell, Director of Utilities
Mitch Nuckles, Commissioner of Revenue
David Owen, Director of Public Works
Tamara Rosser, Director of Juvenile Services
Margaret Schmitt, Director of Human Resources
Parks Snead, Chief of Police
Donna Witt, Director of Financial Services*

BUDGET STAFF

*Megan Palmer, Financial Technician IV
Cindy Speck, Budget Analyst
Michelle White, Budget Analyst*

SPECIAL ACKNOWLEDGMENT

Cover photograph by LuAnn Hunt



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

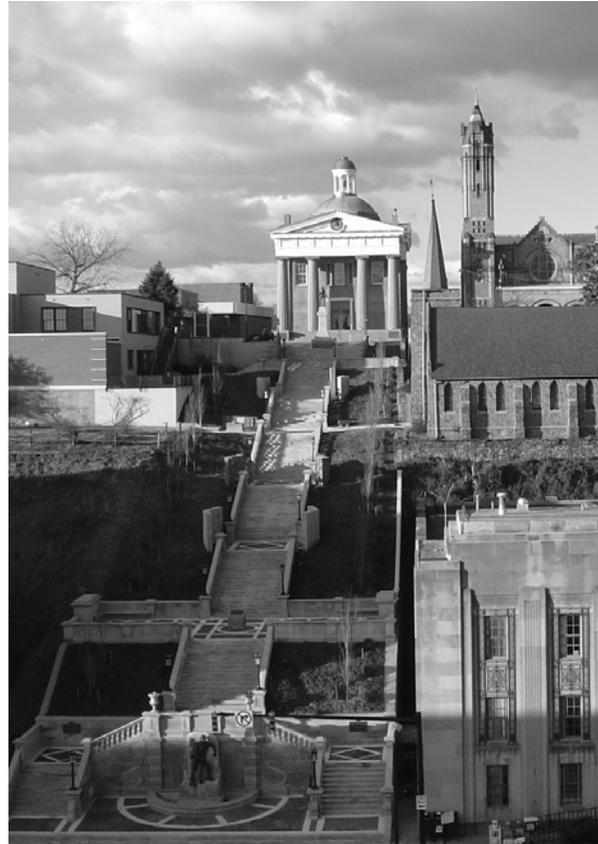
**City of Lynchburg
Virginia**

For the Fiscal Year Beginning

July 1, 2009

President

Executive Director



Monument Terrace, February 2005



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LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **May 11, 2010**

AGENDA ITEM NO.:

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: 1) Adoption and Appropriation of the FY 2011 Operating Budget; 2) Adopt a Resolution Authorizing the City Manager to Award Monetary Incentives, Awards, and Bonuses to Employees for Exceptional Services; 3) Adopt the personal property tax relief rate.

RECOMMENDATION:

Adopt and appropriate the FY 2011 Operating Budget; adopt a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; adopt a resolution to set the personal property tax relief rate.

SUMMARY:

Following the April 6, 2010 Public Hearing for the FY 2011 Budget, Council incorporated several adjustments to the Proposed FY 2011 General Fund Budget as follows:

General Fund

<u>Revenues and Use of Fund Balance</u>	<u>Proposed Operating Budget</u>	<u>Adjustments</u>	<u>Revised Budget</u>
Revenues	\$153,771,445	\$41,700	\$153,813,145
Use of Fund Balance	7,876,590	639,055	\$8,515,645
Total Revenues and Use of Fund Balance	\$161,648,035	\$680,755	\$162,328,790
<u>Expenditures</u>			
Operations	\$99,539,540	\$1,612,703	\$101,152,243
Debt Service	16,022,498	0	\$16,022,498
Schools-Operations	32,442,103	(500,000)	\$31,942,103
Greater Lynchburg Transit Company	1,128,884	0	\$1,128,884
Transfers to Other Funds	1,244,396	(3,729)	\$1,240,667
Reserves	2,970,000	(428,219)	\$2,541,781
Capital Improvements	8,300,614	0	\$8,300,614
Total Expenditures, Reserves, and Transfers	\$161,648,035	\$680,755	\$162,328,790

Details of these adjustments can be found in Attachment A.

Also, state code requires that the personal property tax relief rate be set at the time the budget is adopted.

Adopting Resolutions A, B, E, F, G, J, K, L, M, N and O require a majority vote of all of the members of City Council in attendance, said vote to be taken by ayes and noes.

Adopting Resolutions C, D, H, and I require a two-thirds majority vote (i.e. five of seven) among the members elected to City Council, said vote to be taken by ayes and noes.

Fund Balance

With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2011 is projected to be \$15,564,993, or 10.2% of revenues. Council's target for undesignated fund balance is 10.0% of revenues.

PRIOR ACTION(S):

March 9, 16, 23, 30, April 13, 20, 27, 2010 – City Council Work Sessions

April 6, 2010 – Public Hearing on the Proposed FY 2011 Budgets for City Government, Public Schools, Water, Sewer, Airport and Other Funds, and the FY 2011 - 2015 Capital Improvement Program

BUDGET IMPACT:

See attached budget resolution.

CONTACT(S):

L. Kimball Payne, III, City Manager, 455-3990

Bonnie Svrcek, Deputy City Manager, 455-3990

Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):

Attachment A: Balancing the FY 2011 General Fund Budget, and

Resolutions to 1) adopt and appropriate the FY 2011 Operating Budget; 2) approve a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; and 3) adopt a resolution to set the personal property tax relief rate.

REVIEWED BY:

ATTACHMENT A

BALANCING THE FY 2011 GENERAL FUND BUDGET

Revenues and Use of Fund Balance

Proposed Revenues (from the FY 2011 Proposed Operating Budget)	\$153,771,445
Use of Fund Balance	7,876,590
Total Proposed Revenues and Use of Fund Balance	\$161,648,035

Adjustments: Revenue Summary (discussed at the 4/20/10 Work Session)

Dedicated Revenue Adjustments

Compensation Board	\$367,253
Local Law Enforcement Funding (House Bill 599)	307,905
Public Library State Aid	(20,374)
Payment to the Commonwealth	(600,000)
E-911 Wireless Recovery	(100,000)
Friends of the Library Donation	20,000
Federal Aid for Social Services	107,356

Non-Dedicated Revenue Adjustment

Bank Stock Tax	125,000
Lottery Proceeds for School Debt	(141,440)
Recordation Taxes - State	(\$24,000)

Use of Fund Balance

Solid Waste Debt Reserve	\$639,055
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Revised Revenues and Use of Fund Balance **\$162,328,790**

Expenditures, Reserves and Transfers

Proposed Expenditures, Reserves and Transfers (from the FY 2011 Proposed Operating Budget) **\$161,648,035**

Adjustments: Expenditures, Reserves, and Transfers (discussed at the 4/20/10 Work Session)

Establish a Debt Service Reserve	\$1,071,781
Eliminate Reserve for General Assembly Action	(1,500,000)
Level Fund Schools	(500,000)
Restore Financial Technician I position in the Commissioner of the Revenue Office	34,226
Restore 2 Attorney positions, and adjust benefits in the Office of the Commonwealth's Attorney	149,973
Restore 1 full-time and 1 part-time Deputy in the Sheriff's Office	78,606
Restore 11 full-time Social Services positions	420,248
Restore Treasurer funding	1,975
Additional cost for Blue Ridge Regional Jail	173,542
Restore marketing funds in the Communications and Marketing Department	50,000
Reduce funding for Lynchburg Neighborhood Development Foundation	(3,753)
Add Administrative Services Associate I position and restore 1 Battalion Chief, and 2 Captains in the Fire Department	206,957
Restore 1 Police Officer II, and 2 Police Recruit positions in the Police Department	134,553
Add Application Development Analyst II position and consultant services in Information Technology	151,000
Restore Downtown Branch Library	86,900
Restore Library youth programming	14,052
Add funding for special events and education programs at the Museum	3,800
Restore funding for Point of Honor	21,200
Restore funding for Parks and Recreation Neighborhood Center	65,436
Restore funding for full-time Animal Control Officer	23,988
Correct local match for Social Services grants	(3,729)

Revised Expenditures **\$162,328,790**



#R-10-051

A. BE IT RESOLVED that by majority vote the FY 2011 General Fund Operating Budget (excluding External Service Provider and Component Unit expenditures) including the revenues and expenditures proposed by the City Manager and amended by City Council be adopted as the annual operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated:

GENERAL FUND INCOME		GENERAL FUND EXPENDITURES	
Beginning Balance	\$23,073,874	General Government	\$12,368,580
<u>Non-Dedicated Revenues</u>		Judicial Administration	4,417,018
General Property Taxes	67,612,906	Public Safety	30,867,729
Other Local Taxes	44,171,320	Public Works	15,711,769
Permits, Privilege Fees and Licenses	614,100	Health and Welfare	17,019,634
Fines & Forfeitures	470,000	Parks, Recreation and Cultural	5,193,346
Use of Money & Property	566,812	Community Development	2,385,346
Charges for Services	3,644,394	Non-Departmental	6,105,550
Miscellaneous	244,300	Transfer to Other Funds	1,240,667
Revenue from the Commonwealth	6,024,584	Debt Service	8,800,144
Revenue from Lynchburg City Schools	31,022	Schools (Local Share Only) - Debt Service	7,222,354
<u>Dedicated Revenues</u>		Reserves	2,541,781
Revenue from Use of Money & Property		Transfer to Capital - City	6,358,881
Charges for Services	1,447,477	Transfer to Capital - Schools	1,941,733
Recreation Revenue	384,000	Ending Balance	15,564,993
Miscellaneous	3,074,821	Subtotal	\$137,739,525
Revenue from the Commonwealth		External Service Providers ¹	\$7,083,271
Categorical Aid - State Shared Expenditures	2,822,546	Component Units ¹	\$33,070,987
Categorical Aid	16,164,152	Total	\$177,893,783
Revenue from the Federal Government	6,540,711		
Use of Reserves and Designated Fund Balance	1,006,764		
Total	<u>\$177,893,783</u>		

¹ To be considered separately

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-052

B. BE IT RESOLVED that by majority vote the FY 2011 Mandated and Contractual External Service Providers Budget of \$6,946,888 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated:

MANDATED

Blue Ridge Regional Jail Authority	\$4,447,755
Central Virginia Community Services Board	444,003
Health Department	793,060
Region 2000 Local Government Council.....	40,672
TOTAL MANDATED	<u>\$5,725,490</u>

CONTRACTUAL

Lynchburg Humane Society	\$104,500
Lynchburg Lifesaving/Rescue Squad.....	10,000
Lynchburg Neighborhood Development Foundation.....	16,247
Lynchburg Regional Chamber of Commerce-Tourism.....	890,000
Lynch's Landing, Inc.....	49,050
Southern Memorial Association (Old City Cemetery).....	122,438
Virginia Cooperative Extension Service	29,163
TOTAL CONTRACTUAL.....	<u>\$1,221,398</u>

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-053

C. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2011 Central Virginia Area Agency on Aging Budget of \$15,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-054

D. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2011 Central Virginia Community College Board and Related Operations Budget of \$1,831 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-055

E. BE IT RESOLVED that by majority vote the FY 2011 Court Appointed Special Advocate Budget of \$12,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-056

F. BE IT RESOLVED that by majority vote the FY 2011 Region 2000 Economic Development Council Budget of \$82,250 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-057

G. BE IT RESOLVED that by majority vote the FY 2011 Robert E. Lee Soil & Water Conservation District Budget of \$10,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-058

H. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2011 Virginia Legal Aid Society Budget of \$10,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-059

I. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2011 Amazement Square Real Estate Tax Refund Budget of \$5,302 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-060

J. BE IT RESOLVED that by majority vote the FY 2011 School Operating Budget, including the revenues and expenditures proposed by the City Manager, be adopted for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated:

SCHOOL INCOME		SCHOOL EXPENDITURES	
Beginning Balance	\$0	Operations	\$77,731,173
State	41,806,920	Grant Funded Expenditures	7,813,258
Federal	2,627,383	Ending Balance	0
Grants	7,813,258	Total	<u>\$85,544,431</u>
Local – Operating	31,942,103		
Local – Debt Service	33,627		
Miscellaneous	1,321,140		
Total	<u>\$85,544,431</u>		

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-061

K. BE IT RESOLVED that by majority vote the FY 2011 Greater Lynchburg Transit Budget including the revenues and expenditures proposed by the City Manager be adopted for the fiscal year beginning July 1, 2010 and ending June 30, 2011 and said funds be appropriated:

GREATER LYNCHBURG TRANSIT COMPANY INCOME		GREATER LYNCHBURG TRANSIT COMPANY EXPENDITURES	
Beginning Balance	\$0	Operations	\$6,527,524
Fares	894,000	Ending Balance	0
Contracts	183,793	Total	<u>\$6,527,524</u>
Federal	1,823,492		
State	927,615		
Local - Operating	1,128,884		
Partners	1,433,574		
Miscellaneous	136,166		
Total	<u>\$6,527,524</u>		

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-062

L. BE IT RESOLVED that by majority vote the budgets of the funds mentioned herein be adopted for the purposes herein mentioned and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011:

FLEET SERVICES INCOME		FLEET SERVICES EXPENDITURES	
Beginning Balance	\$754,005	Operations	\$5,425,708
Revenues	5,361,269	Debt Service	404,178
Total	\$6,115,274	Reserves	133,000
		Ending Balance	152,388
		Total	\$6,115,274
AIRPORT INCOME		AIRPORT EXPENDITURES	
Beginning Balance	\$100,000	Operations	\$2,139,892
Revenue from Cost Centers	1,960,069	Debt Service	315,712
Transfer from General Fund	271,120	Ending Balance	100,000
Interest & Other	224,415	Total	\$2,555,604
Total	\$2,555,604		
WATER FUND INCOME		WATER FUND EXPENDITURES	
Beginning Balance	\$4,800,615	Operations	\$8,571,267
Water Sales	7,088,640	Debt Service	3,662,585
Meter, Sewer Fund & General Fund Hydrant Charges	1,761,900	Transfer to Water Capital Fund	700,000
Cut-on/off Charges	91,000	Capital	46,000
Availability, Connection Fees	105,000	Ending Balance	4,770,381
Other Charges for Service	786,363	Total	\$17,750,233
Water Contracts (Amherst/Bedford/Campbell/Industrial)	2,955,715		
Interest	161,000		
Total	\$17,750,233		
SEWER FUND INCOME		SEWER FUND EXPENDITURES	
Beginning Balance	\$9,388,631	Operations	\$9,551,431
Charges for Services	16,181,843	Debt Service	7,550,690
Sewer Contracts (Amherst/Bedford/Campbell/Industrial)	3,022,790	Capital Outlay	185,000
Interest and Other	343,000	Transfer to Sewer Capital Fund	2,500,000
Total	\$28,936,264	Ending Balance	9,149,143
		Total	\$28,936,264
ASSET FORFEITURE FUND INCOME		ASSET FORFEITURE FUND EXPENDITURES	
Beginning Balance	\$119,634	Operations	\$34,652
Revenue	0	Ending Balance	84,982
Total	\$119,634	Total	\$119,634
C. VA. RADIO COMMUNICATIONS INCOME		C. VA. RADIO COMMUNICATIONS EXPENDITURES	
Beginning Balance	\$285,060	Operations	\$817,890
Charges for Services	736,101	Ending Balance	203,271
Total	\$1,021,161	Total	\$1,021,161
HOME FUND INCOME		HOME FUND EXPENDITURES	
Beginning Balance	\$0	Operations	\$467,942
Revenue from the Federal Government	467,942	Ending Balance	0
Total	\$467,942	Total	\$467,942

COMPREHENSIVE SERVICES ACT INCOME

Beginning Balance	\$0
Miscellaneous	110,000
Transfer from General Fund	1,349,591
Lynchburg City School Transfer	196,541
Revenue from the Commonwealth	3,417,468
Total	\$5,073,600

LYNCHBURG BUSINESS DEVELOPMENT CENTRE INCOME

Beginning Balance	\$125,385
Revenue	0
Total	\$125,385

LEAF FUND INCOME

Beginning Balance	(\$21,363)
Pledges/Donations	0
Total	(\$21,363)

REGIONAL JUVENILE DET. CENTER INCOME

Beginning Balance	\$0
Charges for Services	1,799,662
Intergovernmental	1,140,340
Total	\$2,940,002

RISK MANAGEMENT FUND INCOME

Beginning Balance	\$2,822,838
Charges for Services	1,020,684
Interest	35,000
Subrogation	25,000
Total	\$3,903,522

SPECIAL WELFARE FUND INCOME

Beginning Balance	\$52,172
Donations and Restitutions	18,000
Interest	2,000
Revenue from the Commonwealth	8,500
Total	\$80,672

STADIUM FUND INCOME

Beginning Balance	\$275,371
Charges for Services	1,700,000
Transfer from General Fund	318,130
Total	\$2,293,501

TECHNOLOGY FUND INCOME

Beginning Balance	\$1,662,994
Use of Money & Property	20,000
Transfer from General Fund	624,347
Total	\$2,307,341

CITY/STATE/FEDERAL AID FUND INCOME

Beginning Balance	\$0
Revenue from the Federal Government	1,434,528
Revenue from the Commonwealth	845,323
Transfer from General Fund	27,070
In-Kind	22,570
Total	\$2,329,491

COMMUNITY DEV. BLOCK GRANT INCOME

Beginning Balance	\$0
Intergovernmental	904,817
Program Income	2,030
Other	132,928
Total	\$1,039,775

COMPREHENSIVE SERVICES ACT EXPENDITURES

Operations	\$5,073,600
Ending Balance	0
Total	\$5,073,600

LYNCHBURG BUSINESS DEVELOPMENT CENTRE EXPENDITURES

Operations	\$0
Ending Balance	125,385
Total	\$125,385

LEAF FUND EXPENDITURES

Operations	\$0
Ending Balance	(21,363)
Total	(\$21,363)

REGIONAL JUVENILE DET. CENTER EXPENDITURES

Operations	\$2,646,494
Debt Service	293,508
Ending Balance	0
Total	\$2,940,002

RISK MANAGEMENT FUND EXPENDITURES

Operations	\$258,373
Insurance and Claims	767,732
Ending Balance	2,877,417
Total	\$3,903,522

SPECIAL WELFARE FUND EXPENDITURES

Operations	\$39,250
Ending Balance	41,422
Total	\$80,672

STADIUM FUND EXPENDITURES

Operations	\$1,611,678
Debt Service	209,752
Ending Balance	472,071
Total	\$2,293,501

TECHNOLOGY FUND EXPENDITURES

Operations	\$489,600
Capital Outlay	401,000
Ending Balance	1,416,741
Total	\$2,307,341

CITY/STATE/FEDERAL AID FUND EXPENDITURES

Operations	\$2,329,491
Ending Balance	0
Total	\$2,329,491

COMMUNITY DEV. BLOCK GRANT EXPENDITURES

Operations	\$1,039,775
Ending Balance	0
Total	\$1,039,775

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-063

M. BE IT RESOLVED that by majority vote the FY 2011 Capital Budget is hereby adopted and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2010 and ending June 30, 2011, in the total amount of \$9,593,736 for the City Capital Projects Fund; \$1,941,733 for the School Capital Projects Fund; \$2,355,000 for the Airport Capital Projects Fund; \$4,885,000 for the Water Capital Projects Fund and \$12,500,000 for the Sewer Capital Projects Fund.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-064

N. BE IT RESOLVED that by majority vote in accordance with Section 15.2-1508 of the Code of Virginia, 1950, as amended, City Council authorizes; and subject to the availability of appropriated funds, the payment of monetary incentives, awards, and bonuses to City employees for exceptional services rendered by those employees. Such monetary incentives, awards, or bonuses may not exceed \$5,000 or five percent of the employee's annual salary, whichever is greater. Such incentives, awards, and bonuses may be offered and paid for such exceptional services as defined in the procedural directives issued by the City Manager or his/her designee, including, but not necessarily limited to, any or all of the following purposes:

- (1) Individual incentive awards,
- (2) Special recognition awards,
- (3) Outstanding performance awards, and
- (4) Cost savings or revenue generating suggestion awards.

The Director of Human Resources shall administer the incentive award and bonus program. The types of incentives, awards, and bonuses and the types of exceptional services for which they may be granted; the amount of particular incentives, awards, and bonuses; and the selection criteria and process for particular incentives, awards, and bonuses shall be set forth in the procedural directives issued by the City Manager. The total amount paid in monetary incentives, awards, and bonuses shall not exceed \$60,000 annually.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: Valeria P. Chambers
Interim Clerk of Council

#R-10-065

O. BE IT RESOLVED that by majority vote in accordance with Section 14.2 (b) 2 of the Code of Virginia, 1950, as amended, the personal property tax relief rate for the fiscal year beginning July 1, 2010 through June 30, 2011 shall be set at 54.68%.

Introduced: May 11, 2010

Adopted: May 25, 2010

Certified: *Valeria P. Chambers*
Interim Clerk of Council





OFFICE OF THE
CITY MANAGER

CITY HALL, LYNCHBURG, VIRGINIA 24505 • (434) 455-3990
FAX (434) 847-1536

TO: The Honorable City Council

FROM: L. Kimball Payne, III, City Manager 

SUBJECT: *Proposed FY 2011 Budget*

DATE: March 9, 2010

Introduction

The *Proposed FY 2011 Budget* for the City of Lynchburg, which includes the General, Capital, Airport, Water, Sewer, and other minor funds, as well as component units, minus transfers between funds, totals \$373 million. (Note: this total uses a preliminary number for education funding and includes an additional \$5.5 million in pay-as-you-go capital funding over the current year. The number will be revised once State funding is finally determined and the School Board presents a budget proposal.) For comparison, the *Adopted FY 2010 Budget* totaled \$372 million and the FY 2009 Budget totaled \$378 million.

The proposed budget was prepared in an environment of challenge and uncertainty. To some extent, it appears that the City has weathered the national recession fairly well. Consumption based revenues that experienced significant reductions in the 2009 fiscal year have bottomed out and may show a small increase going forward. The mid-year review of the FY 2010 Budget found revenues at or slightly ahead of projections and cost cutting measures had reduced budgeted expenditures to the extent that a small surplus is projected for year end. This projection, coupled with other steps that have been taken to prepare for the FY 2011 Budget place the City in a reasonable position in planning for the new fiscal year, except for one overarching concern, the State budget.

As this budget message is being written, the General Assembly is dealing with an unprecedented fiscal challenge. Recession reduced State revenues, particularly capital gains tax, income tax and sales tax, coupled with rising costs for Medicaid, public safety and human services has resulted in a significant budget deficit. Although former Governor Kaine's proposed budget addressed some of the shortfall, resistance to raising new revenues through increased taxes means that over \$4 billion remains to be cut for the biennium. Much of this will be accomplished through additional cuts to funding for state-mandated, locally delivered programs. Public education will be particularly hard hit; however, further cuts in public safety, detention, social services, juvenile services and transportation can be expected.

The State budget situation and the anticipation of further cuts in "aid to localities" have the most significant impact on the *Proposed FY 2011 Budget*. The full impact of State cuts will not be



known until a State budget is adopted by the General Assembly. It is in this condition of uncertainty that the proposed budget has been prepared.

Although of less potential impact than the loss of State funding, there are two other dynamics that affect the City budget in significant ways. First of all, the demand for services remains strong. The City has a concentration of citizens in need of services and a recession increases demands on social services, public safety, and other government services such as the public library. At the same time, the City's aging infrastructure must be addressed for the safety and convenience of the public and to provide an environment that supports private investment and business activity. Input from citizens sent a clear message that they are unwilling to do without discretionary services provided in the City; they are also generally unwilling to agree to pay more taxes to preserve the services. Their expectation is that the City will find ways to do more with less. While there is always room for improvement, and City workers have responded admirably to the challenge of fewer resources, at some point, less produces less and the quality of City services will suffer.

A third area of impact is unavoidable rising costs that must be accounted for in the proposed budget. Increased costs for electricity, employee retirement, medical benefits, debt service and State mandated programs such as juvenile services and detention are some of the major impacts in the proposed budget.

The result of the "triple whammy" of State funding cuts, high service demands, and unavoidable higher costs is fewer resources, less flexibility, and difficult budget choices.

The proposed General Fund budget reflects the impacts of the influences mentioned above. Although overall spending will increase due to the unavoidable cost increases and infrastructure investment, every City department will operate with fewer resources than in the current year. There will be a reduction in force of approximately seventy-five (75) positions, many of which are fortunately vacant. The remaining City employees will be called on to "do more with less," to maintain excellent service delivery on a daily basis. There will be fewer of them and their salaries will remain frozen. Some departments will see significant reductions and restructuring to address core responsibilities. Cuts to other departments are minimized in order to address priorities. In particular, the proposed budget attempts to address the top three priorities of public safety, education and infrastructure, while being supportive of private sector investment and job creation, community livability and civic engagement.

No tax increases are recommended in the proposed budget.

Budget Development

In the abstract, budget development is shaped by a number of factors. They include Financial Management Policies, City Council's vision and priorities and certain principles of budgeting.

Financial Management Policies

City Council first adopted Financial Management Policies in 1999 and has revised and reaffirmed them as appropriate, most recently in December 2008. The policies address such areas as



adopting a balanced budget, the appropriate fund balance to maintain, restrictions on its use for recurring operating expenses, debt management and the establishment of contingency reserves to address unexpected circumstances. If followed, sound financial management policies should do the following:

- Contribute significantly to the City’s ability to insulate itself from fiscal crisis and economic disruption
- Enhance short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible
- Promote long-term financial stability by establishing clear and consistent guidelines
- Direct attention to the total financial picture of the City rather than single issue areas
- Promote the view of linking long-term financial planning with day to day operations
- Provide City Council and the citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines
- Ensure that the organization is sufficiently resourced to perform mandated responsibilities
- Provide a foundation for evaluating financial analysis and condition

The Financial Management Policies are included in the General Information section of the budget document. The proposed budget complies with adopted Financial Management Policies.

City Council’s Vision and Priorities

In November 2006 City Council adopted the following vision statement:

LYNCHBURG CITY COUNCIL VISION

We will work to ensure an environment in which all of the residents of Lynchburg are free to pursue their dreams, hopes, and aspirations through our understanding and commitment to meet the public’s needs in the areas of:

Community Character

The character of our City is defined by the values and behaviors of its residents and its natural and built environments. We are a beautiful, safe and comfortable community with hospitable, friendly, and caring citizens who are free to pursue their values of faith and family according to their individual preferences.

Economic Prosperity

Our City will maintain a vibrant, industrious community that will expand economic opportunities for our citizens. We embrace policies that will enhance economic prosperity with the support of a strong Industrial Development Authority (since renamed the “Lynchburg Economic Development Authority”), emphasis on education, workforce development, and a continued commitment to business-friendly initiatives.

Good Government

City government will deliver, in an equitable manner, public services through the effective and efficient stewardship of resources.



Multicultural Vibrancy

Lynchburg acknowledges and values its rich cultural, ethnic, racial, and religious diversity while promoting a respectful and cohesive community.

A Compelling Destination

The City is a regional draw for entertainment, shopping and business. Our unique historic heritage and tourism attractions draw a national audience. With its breadth of recreational experiences, centers of interactive living history, and opportunities for educational excellence, our City appeals to all generations.

City Council's vision provides a baseline for City policy development and operational priorities.

During its budget retreat, held in early February, City Council identified the following priority areas for the upcoming fiscal year: Public Safety, Education, and Infrastructure. At the same time, Council acknowledged the importance of continued efforts in the areas of the promotion of private investment and job creation, community livability, prevention initiatives, and civic engagement.

Budget Principles

There are a number of operating principles important to the sound fiscal management of an organization that must meet mandated and contractual financial commitments while delivering quality services to the citizens of Lynchburg. Those principles include:

- Fund debt service
- Fund mandated programs
- Maintain a fund balance in accordance with fiscal policy
- Provide appropriate compensation for City employees
- Preserve employee benefits
- Replace essential equipment, especially vehicles and computers
- Maintain existing facilities and infrastructure
- Provide excellent core services
- Provide quality customer service

The *Proposed FY 2011 Budget* attempts to remain true to these principles in the face of significant fiscal challenges.

Budget Preparation

City departments and City Schools started preparing for the FY 2011 Budget immediately after final adoption of the FY 2010 Budget. This was necessary, in part, because shortly after its adoption the budget was amended to remove the proposed three percent (3%) pay reduction that had generated a strong negative response from some employee groups. Elimination of the pay reduction was partially funded through additional revenues anticipated from the Real and Personal Property Taxes and a



reduction in school funding. About one third of the \$1.5 million cost remained to be covered and additional employee furloughs were anticipated if costs could not be reduced in other ways.

Recognizing that costs needed to be reduced not only to cover the restoration of employee pay but also to mitigate further State funding cuts, to cover anticipated future expenditure increases, and to put the organization on the best possible footing for future budgets that promised to be even more challenging, a number of initiatives were undertaken.

First of all, the hiring freeze for all but the most essential positions was maintained. In addition, a retirement incentive was offered to employees eligible for full retirement. Over forty (40) employees took advantage of a \$10,000 incentive and retired between July 1 and December 31, 2009. For the most part, those positions have remained open in order to recover the costs associated with the retirements and to provide additional budgetary flexibility. Between the hiring freeze and the retirement incentive, over ninety (90) positions remained vacant as the *Proposed FY 2011 Budget* was being prepared.

Another major initiative was undertaken by the City's Leadership Team. In July 2009, it commenced a "Cost Savings Initiative" with a goal of reducing General Fund expenditures by approximately ten percent (10%), or about \$15 million for FY 2011. This process involved a top-to-bottom review of City operations, seeking to clarify service delivery priorities, eliminate redundancies, promote consolidation and collaboration, and reduce costs wherever possible. While that process was instructive and produced some action items for follow up, it became clear that reducing General Fund expenditures by the target amount would not be possible without a reduction in force and the resultant impact on service delivery.

Coincident with the Cost Savings Initiative, starting in May 2009, the City Manager and School Superintendent have had ongoing discussions regarding the consolidation of services, programs, and activities between the Schools and the City organizations. Meeting about twice a month with staff from specific areas, the consolidation discussions have covered financial services, human resources, facilities management, procurement, information technology and more. Progress has been slow but steady and some potential savings have been identified. Among the activities where change has taken place are procurement, credit card management, food services and facilities management. Human resources management, particularly medical benefits and workers compensation, appear to be the most promising areas that remain. During the process, City Council stated the expectation that between \$500,000 and \$1 million in savings would be realized through consolidation of various services. While the lower end of that range might be feasible, the savings will not occur immediately and, although important, they represent only a fraction of the anticipated reductions in State funding.

In recognition of the impossibility of achieving significant savings through consolidation and process improvements City departments were directed to start preparing budget scenarios reflecting departmental resources for FY 2011 at only ninety percent (90%) of those available in FY 2010. Initial scenarios were developed in early November 2009, were revised in January 2010, and formed the basis for FY 2011 Budget submissions from each department. Overall, the "90% Budget" scenarios indicated a reduction in City workforce of over 125 positions and significant impacts in every service area, most particularly in public safety, public education, social services, libraries and museums, parks and recreation, and internal services.



A best practices approach to budgeting acknowledges that equal, across the board cuts to all departments is not appropriate. Budget decisions are best made in a context of organizational goals and priorities. In order to reaffirm those goals and priorities and to educate stakeholders on the budget situation and receive feedback, the City undertook an unprecedented outreach to citizens and employees through a series of engagement meetings.

In October of 2009, over a period of three consecutive weeks, approximately seventy (70) citizens met with staff and City Council members to discuss the City's fiscal challenges. Utilizing both large group presentations and small group discussions an overview of the City budget environment was provided, mandated and non-mandated services were outlined, service delivery priorities were explored and questions and suggestions responded to. In general, the citizen participants recognized the challenges facing the City, understood core services, appreciated all of the services that they received, and wanted to preserve services as much as possible while acknowledging a reduction in resources. A follow-up meeting was held in mid-February to provide an update on the budget development process and citizen feedback has been and will be used by both staff and City Council to inform budget decisions.

A similar outreach was undertaken for City employees and about half of the workforce, approximately 600 employees, participated in the sessions. Their input was similar to the citizen input in many ways and will also be used to inform the budget process. Additional outreach to employees has taken place through newsletters, webcasts, meeting notes, and small group meetings.

Throughout the fiscal year budget personnel have closely monitored current revenues and expenditures compared to the *Adopted FY 2010 Budget*. They have gathered information on significant events that might affect either costs or revenues and have kept abreast of the State budget situation in preparation for FY 2011 budget development. Initial indications were that the combination of additional costs and reduced revenues could result in a combined budget impact reducing resources for service delivery in FY 2011 by \$10-12 million. A number of issues or concerns impacting future budgets have been watched. These concerns have also been shared with citizens, employees and City Council. They are:

- **Debt Service:** Initial estimates had debt service increasing about \$1.4 million, primarily to fund the construction of the new Sandusky Middle School. The actual increase will only be \$785,000 due to the utilization of Build America Bonds and the refunding of existing debt.
- **Employee Compensation & Benefits:** The Virginia Retirement System (VRS) rate increase of 2.7% was less than the anticipated 4 to 5% but will still cost an additional \$1.4 million. General Assembly action could further increase costs. The cost of medical benefits is projected to increase by approximately \$380,000 in the General Fund.
- **Energy Costs:** Increases in excess of 10% have occurred as expected.
- **Fleet Replacement:** \$1.7 million is needed to meet the replacement schedule which was suspended in FY 2010.



- **Other Post Employment Benefits:** \$250,000 should be set aside under the proposed schedule to meet the requirement that resources be accumulated to offset the costs of future benefits to eligible former employees.
- **State Funding Cuts:** Cuts in the areas of public safety, K-12 education, social services, Constitutional Officers, detention, libraries and other areas could total in excess of \$10 million.
- **Falling Assessed Values of Motor Vehicles:** When the price of gasoline approached \$4 per gallon, the values of SUV's and pickup trucks fell, with the potential to decrease Personal Property Tax revenues. Since the price of gasoline returned to lower levels and has remained relatively stable, assessed values have actually shown an increase for about 10% of the vehicles registered in the City.
- **Falling Property Values (commercial & residential):** Real property values are holding steady so far. There is still concern about potential declines in property values, particularly commercial. Currently, the City is holding at an overall assessment/sale ratio of 96.5%, for sales since July 1, 2009 compared to the July 2009 assessment.
- **Reduction in Consumption Taxes Revenues:** Sales, meals, and consumer utility taxes fell sharply in FY 2009 but are currently in line with FY 2010 budget estimates. Although sales and meals taxes were off in December, and will probably remain below projections in January and February due to the weather, overall consumption taxes are projected to be stable, not declining.
- **Unfunded Mandates:** A number of bills before the General Assembly would impose new unfunded mandates but nothing of major impact has been adopted yet. There may be some legislation affecting schools and retirement programs.
- **Infrastructure:** Heritage High School, the Grove Street Center at Miller Park, the West Building, City Stadium and a number of bridges need to be addressed. A reasonable amount of funds will be available for pay-as-you-go projects in FY 2011. There are no plans to issue General Obligation bonds in FY 2011 and the use of the line of credit will be minimized.
- **Schools Funding:** The Schools Superintendent has identified a funding deficit of as much as \$18 million from the following:
 - **Increase in the Composite Index** from 0.3327 to 0.3643 with an impact of about \$1.7 million in additional required local effort
 - **State Funding** reduction of \$5.0 to \$5.5 million based on former Gov. Kaine's proposed budget plus an additional \$3.0 million in cuts suggested by Governor McDonnell
 - **Local Funding** reduction of \$3.2 million based on the 90% funding scenario
 - **Loss of Stimulus Funds** in the amount of \$2.1 million that was used to preserve positions. Although originally anticipated to last two years, the funds will not be available in FY 2011



- **Additional Costs** of \$2 to \$3 million for VRS and other employee benefits

Faced with the challenges described above, City departments were directed to submit budgets based on the 90% scenario and to provide performance measures and other descriptions of the impacts of such spending reductions. Lynchburg City Schools was also informed that it should expect a 10% reduction in local funding for K-12 education.

After the receipt of departmental budget submissions, Budget Office staff conducted a thorough review of each budget, applying zero-based budgeting principles as in the past, clarified questions as necessary and briefed the City Manager.

The actions which were taken throughout the fiscal year in preparation for the FY 2011 Budget were successful in providing some flexibility in the final development of the budget proposal. The 90% scenario, with its across-the-board cut of 10% to all departments, proved to be a worst case that did not have to be imposed. After covering the unavoidable cost increases, resources remained to address the priorities identified by citizens and City Council. In particular, funding to minimize anticipated reductions could be made available in the areas of public safety, education, and infrastructure. Nevertheless, many departments and activities will experience significant cuts, a reduction in force will take place and services will be diminished.

The Budget Document

The budget document provides a complete description of the resources received by the City from all sources and their uses. All of the various funds utilized by the City are shown along with their proposed revenues and expenditures and balances.

For major revenue categories generating in excess of \$1 million annually, information is provided on the enabling legislation, rate history, the amount of revenue generated, the percent change from year to year, and a brief analysis of the FY 2011 estimate. Graphs are included to illustrate revenue history. This information can be found in the summary pages behind the General Fund tab.

Major categories within the General Fund are grouped substantially in accordance with guidance provided by the State Auditor of Public Accounts for comparative cost reporting. Under each General Fund department is information comparing the departmental submission to the proposed FY 2011 funding and a description of significant changes from the *Adopted FY 2010 Budget*.

The department pages are presented in summary format using six major categories:

Salaries – Compensation for direct labor of persons in the employment of the City. Salaries and wages paid to employees for full-time, part-time and temporary work, including overtime and automobile, clothing and tool allowances.

Employee Benefits – Employment related benefits provided to employees as part of their total compensation. Includes the following:

Group Life Insurance – Payments for both employer's and employees' portions of premiums for employees' life insurance coverage.



Virginia Retirement System – Payments for both the employer’s and employees’ portions of premiums for employees’ retirement program.

Employer’s FICA Contribution – Payments for employer’s share of Social Security Program contribution.

Workers’ Compensation Claims – Payments for authorized claims involving employees’ work related injuries.

Group Hospitalization – Payments made for employer’s share of insurance for full-time classified employees.

Unemployment Compensation – Payments for benefits related to unemployment claims.

Tuition Reimbursements – Payments to employees to assist with costs for college or other courses related to City work functions.

Contractual Services – Services acquired on a fee basis or a fixed time contract basis from outside sources (e.g., private vendors, public authorities or other governmental entities). Includes maintenance and repairs for City equipment; facilities and infrastructure; legal, architectural, environmental testing, medical, auditing and financial professional services; information technology services and software purchases; dietary, advertising, printing; and payments to the Economic Development Authority.

Internal Services – Charges to departments for services provided by Fleet Services.

Other Charges – This category includes various types of charges such as: supplies and materials items for the office including books, publications; fuel and natural gas; chemicals; parts; and items for buildings, grounds, traffic and computer related maintenance. Safety, law enforcement and laboratory items as well as food, laundry and medical items are included. Utilities, telecommunication charges; postage; insurance premiums and claims; travel and training; dues and memberships; inventory purchases; payments to other funds for services, rentals and leases; as well as contributions to other governmental, community and civic organizations are included.

Capital Outlay – Includes expenditures for the acquisition of fixed assets in excess of \$5,000 excluding land, buildings and infrastructure which are major capital expenditures. Also includes equipment, furniture and fixtures, heavy equipment such as machinery and tools, computer and radio systems, and specific use equipment for public safety and human services.

Performance Measures

The proposed budget includes performance measures for each department that are based on the initial 90% funding scenario for each department.

Performance measures are meant to demonstrate the City’s commitment to results oriented government that promotes the City’s mission of providing services in the most efficient, effective, and equitable manner possible and improving the quality of life in Lynchburg. Just as overall financial performance is measured against adopted policy goals, program performance can be measured against set objectives.

In many cases the information presented indicates that performance will diminish under a 90% funding scenario.



General Fund Revenues

Total General Fund revenues for FY 2011 are projected to be \$153.8 million, representing an increase of \$2.9 million or 1.9% above the *FY 2010 Budget*. General Fund revenues consist of both Dedicated Revenues (\$30.4 million) and Non-Dedicated Revenues (\$123.4 million). This slight growth in anticipated revenues is the result of a number of small increases in a number of areas including: higher Real Property and Personal Property Tax revenues (\$2.4 million), a small projected increase in Sales Tax revenue (\$200,000), increased cost allocation payments from enterprise funds (\$200,000), higher revenues from ambulance billing (\$800,000), anticipated revenue from the Regional Service Authority (\$500,000) and no Local Aid to the Commonwealth payment (\$487,000, contra-revenue), at least at this time. These gains are offset by reductions in State funding in a number of categories.

Dedicated Revenues

Dedicated revenues are revenues specifically designated by the federal, state or city government to be used for specific programs and include federal and state categorical aid and grants, charges for services, and reimbursement for indirect costs from enterprise funds. Dedicated revenues in the *Proposed FY 2011 Budget* total \$30.4 million, an increase of approximately \$85,000 from the current year. Cuts in State funding for locally delivered, state-mandated programs are offset by anticipated increases in Parking Management Program revenues. Further cuts in state funding are anticipated with the final adoption of the State budget.

Federal Categorical Aid is primarily funding for social services programs and totals \$6.4 million, a \$173,000 decrease from the current year. Decreases in funding for Social Services Programs are offset by two new federal programs; a payment toward debt service in the form of a Build America Bond Interest Subsidy for the City (\$65,700) and Schools (\$228,000) and also American Recovery and Reinvestment Act (ARRA) funding for Social Services Programs (\$294,000). Federal stimulus funds were used to supplant State funding for Social Services.

State Categorical Aid provides funding for Constitutional Officers, local law enforcement, juvenile corrections, highway maintenance, social services programs, and supports the public library. Funding is expected to total \$19 million, a decrease of almost \$573,000. Nearly every category of State funding has been reduced based on former Governor Kaine's proposed budget. This includes cuts in Local Law Enforcement (HB 599) funding (\$624,000), the Juvenile Correction Block Grant (\$17,000), Financial Assistance to the Public Library (\$13,000), Highway Maintenance funding (\$195,000), and Constitutional Officers (\$639,000). Cuts in funding were also made in the Social Services Finance Unit (\$41,000) and Social Services Programs (\$160,000). Funding increased for Social Services Administration (\$593,000) and E-911 Wireless Recovery (\$30,000), both of which were under-budgeted for in FY 2010.

Miscellaneous Revenue totals approximately \$2.6 million and is comprised mostly of indirect cost allocations to the Water, Sewer, Airport and Detention Home Funds for services provided by General Fund departments. This category is being increased approximately \$200,000 due to additions in the indirect cost allocations to the Water Fund, the Sewer Fund, and the Airport Fund offset by slight decreases to the Waste Water Treatment Plant, and Juvenile Detention



Home. Also included is an anticipated return on capital investment of \$500,000 from the Regional Services Authority.

Parking Revenues are reflected in Dedicated Revenues for the first time to create a cost center for the parking management program. Parking Revenues are projected to increase \$331,000 compared to FY 2010 due to City Council approving a rate increase for parking fines.

Non-Dedicated Revenues

Non-dedicated revenues, or revenues that can be used at the City's discretion, are projected to increase approximately \$2.8 million or 2.3% from the *Adopted FY 2010 Budget*.

Almost eighty-nine percent (88.6%) of non-dedicated revenues and more than two-thirds (71.1%) of total General Fund revenues are generated by seven local taxes: the Real Property Tax (\$52.0 million), the Personal Property Tax (\$19.4 million, including the State reimbursement), the Local Sales Tax (\$12.7 million), the Meals Tax (\$10.5 million), the Business License Tax (\$6.8 million), Consumer Utility Taxes (\$4.4 million) and the Communications Sales and Use Tax (\$3.6 million). With the exception of the Real Property Tax and the Personal Property Tax, all of these revenues are projected to be relatively flat in FY 2011 compared to FY 2010.

General Property Taxes

Real Property Tax revenues are projected to total \$52.0 million, an increase of approximately \$837,000, or almost two percent (1.6%) from the *Adopted FY 2010 Budget*, not including the allowances mentioned below. This increase can be attributable to new construction in the City, including the new Wal-Mart on Old Forest Road and the Legacy at Linden Park apartment community on Timberlake Road.

Real Property Tax revenue projections are adjusted for an historically uncollectible percentage of two percent (2%), tax relief for the elderly (\$715,147), and rehabilitation tax credits (\$480,000). For budget discussions, each penny on the Real Property Tax rate will generate approximately \$474,000. This revenue source represents a little over forty-two percent (42.1%) of General Fund non-dedicated revenues.

The Assessor's Office has determined that the total real estate value of property in the City of Lynchburg is over six billion dollars (\$6,234,258,722). Almost twenty-one percent (20.6%) is not taxable. The total assessed value of taxable real property in the City is estimated to be almost five billion dollars (\$4,949,184,022) as of July 1, 2010.

Personal Property Tax revenues are projected to increase almost \$1.6 million, or 12.6%, from the current year due to increased values of cars, and rebounding values for SUV's and pickup trucks. Projections of decreased vehicle values that did not occur led to this revenue category being under budgeted for FY 2010. The local share of the Personal Property Tax category totals \$13.9 million. The State reimbursement, which is accounted for as Non-Categorical Aid, will be \$5.5 million.

The total Statewide reimbursement for the Personal Property Tax has been fixed by the General Assembly at \$950 million. Lynchburg's reimbursement is based on the amount of taxes collected by the City in 2005 in proportion to the total collected across the State. Because it is a fixed amount,



when the value of personal property tax assessments grows, the State's share of individual personal property tax payments falls. The percentage of State reimbursement that makes up an individual's Personal Property Tax bill will fall from 61.14% in Tax Year 2009 to 54.68% for Tax Year 2010 resulting in slightly higher Personal Property Tax bills. The State Code requires that the State relief percentage be determined with the adoption of the local budget.

The combination of the local and State portions of the Personal Property Tax represents about sixteen percent (15.8%) of General Fund non-dedicated revenues in the proposed budget.

Public Service Corporations Tax revenue is projected to remain flat at \$2.0 million. The value of public service corporation real property in the City is assessed by the State.

Other Local Taxes

Local Sales Tax revenue is the third largest portion of non-dedicated revenues received by the City, representing just over ten percent (10.3%) of those funds. Sales Tax revenues started falling below projections in November of 2008 and continued to fall throughout FY 2009. During the first five months of FY 2010, revenues were beginning to show a slight increase and are anticipated to rebound slightly during the fiscal year. The estimated revenue of about \$12.7 million represents a \$226,000, or 1.8%, increase in anticipated collections.

Electric and Gas Utility Consumption Tax revenues are projected to remain flat at \$4.4 million in FY 2011.

Communications Sales and Use Tax is projected to show an increase of \$108,000 to \$3.6 million. However, the House of Delegates budget would take 5% of this revenue to fund Constitutional Officers.

Meals Tax revenues are projected to remain unchanged from FY 2010. The revenue estimate of \$10.5 million represents nearly nine percent (8.5%) of General Fund non-dedicated revenues.

Business License Tax revenues of \$6.8 million reflect a decrease of approximately \$87,000 from the current year. This source makes up nearly six percent (5.5%) of General Fund non-dedicated revenues.

Motor Vehicle License revenues are projected to remain flat at approximately \$1.4 million.

Amusement Tax revenues are projected to increase by almost \$107,000 to approximately \$515,000. The increase is attributable to the opening of the new Regal Cinemas multiplex at River Ridge Mall.

Other revenues in this category make up approximately \$4.2 million of the FY 2011 revenue stream. This category includes **Right of Way Fees** (\$243,000), **Electricity and Gas Consumption Taxes** (\$355,000), **Bank Stock Taxes** (\$375,000), **Recordation Taxes** (\$400,000), **Tobacco Taxes** (\$1 million), and the **Transient Occupancy and Lodging Tax** (\$1.8 million). Most of these taxes are projected to be relatively flat in FY 2011 compared to FY 2010, which is an improvement over the trend from FY 2009 to FY 2010.



Permits, Fees, and Licenses (\$614,000) are projected to fall approximately \$30,000 due to the economic slowdown. **Fines and Forfeitures** (\$470,000) are projected to remain flat. Parking fines were reflected here in prior years but were moved into dedicated revenues to create a cost center for the parking management program. **Revenue from the Use of Money and Property** (\$567,000) is expected to decrease almost \$200,000 due to low interest rates and planned expenditures of capital funds.

Charges for Services are projected to be \$3.6 million. The majority of this (\$2.4 million) will be from charges for Ambulance Services which shows an increase of \$800,000 due to enhanced collections by a new vendor. About \$785,000 is revenue from Residential Disposal Fees (decals and tags).

Non-Categorical State Aid totals \$6 million and includes a number of sources. The largest is the State reimbursement for the Personal Property Tax Relief Act (\$5.5 million) which is fixed by State law.

Revenue from Lynchburg City Schools and Miscellaneous revenues are projected to be approximately \$417,000. This includes approximately \$141,000 in lottery proceeds (a reduction of nearly \$450,000 from the current year) to be used for debt service in support of Schools capital projects.

General Fund Expenditures

The General Fund finances all government activities with the exception of the Airport and Water, and Sewer utility operations. All major funds contribute to the operations of the Fleet Internal Services Fund.

Proposed General Fund expenditures of \$161.6 million represent an increase of approximately \$7.3 million or 4.7% from the *Adopted FY 2010 Budget*. While there is an overall cumulative reduction of approximately \$ 5.1 million, or 5.5%, across all City departments in the General Fund from FY 2010 to FY 2011, the General Fund shows an overall increase in spending due to an increase in debt service, the cost of retirement and medical benefits, transfers of fund balance to the City Capital Projects Fund and the Schools Capital Projects Fund, and the creation of reserves to offset future budget challenges.

The following chart compares proposed FY 2011 expenditures by categories to the Adopted FY 2010 Budget and shows the proportion of the General Fund utilized by each service area.



Proposed FY 2011 Expenditures Compared to FY 2010 and
As a Percent of Total General Fund Expenditures

	Adopted FY 2010	Manager's Proposed FY 2011	FY 2011 Percent Increase/ (Decrease)	Percent of FY 2011 General Fund
GENERAL FUND EXPENDITURES				
Operations - Departmental				
General Government	\$12,797,916	\$12,131,379	-5.2%	7.5%
Judicial Administration	4,524,499	4,188,439	-7.4%	2.6%
Public Safety	31,436,336	30,502,231	-3.0%	18.9%
Public Works	13,699,145	15,711,769	14.7%	9.7%
Health and Welfare	17,369,231	16,599,386	-4.4%	10.3%
Parks, Recreation and Cultural	5,268,930	5,001,958	-5.1%	3.1%
Community Development	6,490,598	2,385,346	-63.2%	1.5%
Total Operations - Departmental	\$91,586,655	\$86,520,508	-5.5%	
Operations - Non-Departmental/Other				
Non-Departmental	\$3,007,895	\$6,105,550	103.0%	3.8%
Transfers to Other Funds	1,311,322	1,244,396	-5.1%	0.7%
Transfer to City Capital	2,820,617	6,358,881	125.4%	3.9%
Transfer to Schools Capital	0	1,941,733	100.0%	1.2%
Schools Operations	32,442,103	32,442,103	0.0%	20.1%
Greater Lynchburg Transit Company	1,128,884	1,128,884	0.0%	0.7%
External Service Providers	6,589,610	6,913,482	4.9%	4.3%
Debt Service	15,237,900	16,022,498	5.1%	9.9%
Reserves	220,000	2,970,000	1250.0%	1.8%
Total Operations - Non-Departmental/Other	\$62,758,331	\$75,127,527	19.7%	
TOTAL GENERAL FUND EXPENDITURES	\$154,344,986	\$161,648,035	4.7%	

General Government includes the Council/Manager Offices, the City Attorney, the City Assessor, the Commissioner of the Revenue, Communications & Marketing, Financial Services, Human Resources, Information Technology, Internal Audit, the Electoral Board, the Registrar, and the Treasurer. **Judicial Administration** includes the Circuit, District, and Juvenile and Domestic Relations Courts, the Clerk of the Circuit Court, the Commonwealth's Attorney, the Magistrate's Office, the Sheriff, and the Court Services Unit. **Public Safety** includes the Police Department, the Fire and EMS Department, the Animal Warden, and Emergency Services. **Public Works** includes Engineering, Buildings and Grounds, Solid Waste Management, Snow and Ice Removal, and Streets. **Health and Welfare** includes Social Services and Juvenile Services. **Parks, Recreation, and Cultural** includes Parks and Recreation, the Library, and the Museum System. **Community Development** includes Planning, Inspections and Code Enforcement, Zoning, Parking Management, and Economic Development.

External Services Providers are groups that provide services to the City outside of general government activities. Some activities, such as the regional jail, are mandated. The City has contractual relationships with other agencies. Funding of some organizations is discretionary. Some



of the organizations historically funded in this area are non-profits that provide services through volunteers, private donations, and grants along with a supplement from the City. The services they provide are typically not offered by local government but may impact local government services indirectly.

Non-departmental includes those miscellaneous components of the City budget that generally do not fit nicely into an individual departmental budget but are widespread throughout, such as medical and dental costs and a general salary increase, if programmed. **Transfers** include payments from the General Fund to other funds as a subsidy or payment for services.

Significant Changes from FY 2010

Significant changes from the current year in the proposed General Fund budget include the following:

Increased Expenditures:

- Additional costs due to increased rates for the Virginia Retirement System (\$1.4 million)
- Establishment of a Reserve for Additional State Funding Cuts, including Constitutional Officers (\$1.5 million)
- Additional costs for medical and dental benefits (\$380,000)
- Increased debt service costs (\$785,000)
- Additional local costs for services mandated by the Comprehensive Services Act (\$355,000)
- Additional funding for the Lynchburg Convention and Visitors Bureau to restart the annual increases called for in the contract with the Regional Chamber of Commerce (\$220,000)
- Additional costs for the Blue Ridge Regional Jail to offset cuts in State funding (\$163,000)
- Contribution for the Other Post Employment Benefits Reserve Fund (\$250,000)
- An increase in the General Fund Reserve for Contingencies (\$1 million)
- Transfer of excess fund balance to City Capital (\$6.4 million) and Schools Capital (\$1.9 million)
- Increase in Non-departmental expenditures (\$3.1 million) – this includes three technical adjustments from the Adopted FY 2010 Budget: a \$1.6 million deduction for the 3% across the board pay cut that was later rescinded, a \$760,000 managed vacancy deduction not included for FY 2011, and over budgeting expenditures for health benefits by \$528,000; in addition costs for the health management program, unemployment insurance and fleet depreciation are projected to increase by about \$255,000, combined.

Other Changes of Note:

- The Parks & Recreation Department is undergoing a significant restructuring to realign reduced resources with priorities.
- An Emergency Services Department is being created with responsibilities for Emergency Communications (LynComm) and Emergency Management. This removes Emergency Communications from the Police Department.



- The Engineering Division is being transferred from Community Development to Public Works.
- The Geographic Information System Division is being transferred from Community Development to Information Technology.
- Cost allocation payments from the enterprise funds to the General Fund are increasing.
- The costs of five positions, three in Community Development and two in Finance, are being transferred from the General Fund to the Utilities Fund.
- Administrative costs for HUD programs will be covered by CDBG & HOME funds, reducing General Fund costs.
- The Parking Management Program has been set out as a cost center, with dedicated revenues to offset expenditures.

Significant Impacts of Cuts to General Fund Departments:

- Elimination of a Senior Appraiser in the Assessor's Office.
- The Director of Community Development's position will remain vacant for at least six months.
- The Police Department and the Fire Department will maintain vacancies in both sworn and civilian positions.
- The School Crossing Guards program will be eliminated.
- DARE and or Traffic Safety unit staffing may be reduced to maintain patrol/first responder capabilities.
- Positions will be cut in Juvenile Services, eliminating the Neighborhood Alternatives program.
- The Downtown Branch Library will be closed.
- Point of Honor will be closed three days a week.
- The Community Market will be closed for business on Mondays.
- Parks & Recreation will be seeking proposals from non-profit agencies to operate one of the City's community centers.
- Street sweeping operations and sidewalk, guardrail, and resurfacing programs will be reduced in Public Works.
- Resources will be reduced to the Recycling Program and there will be a significant change in how brush and bulk materials are collected.
- Social Services programs may experience higher case loads and a reduction in State and federal funding (this is still being analyzed).
- Departments have taken across the board cuts in a number of categories including office supplies, capital outlay, telecommunications, contractual services and other areas.
- Approximately sixty (60) General Fund positions, currently vacant, are being eliminated. About fifteen (15) filled positions are planned for elimination. A number of part-time positions will also be impacted.

Local Contribution to City Schools

Local funding in an amount of \$41.5 million is proposed for school operations (\$32.4 million), Schools Capital Projects (\$1.9) and debt service (\$7.2 million). This represents no increase from



current year funding for school operations. Debt service funding is increasing due to the financing of the new Sandusky Middle School.

Every year, the State Superintendent's Office publishes information on the local match required by State law to meet the Standards of Quality (SOQ). That match is referred to as the Required Local Effort (RLE). The State Superintendent's Office has reported the following for Lynchburg:

In FY 2008, Lynchburg's RLE was \$16,446,165 and the City actually funded \$33,795,991, 105.25% more than the RLE. This compared to a First Cities average of 108.38%.

For FY 2009, Lynchburg's RLE was \$17,801,027 and the City actually funded \$30,875,443, 73.45% more than the RLE. This compared to a First Cities average of 82.58%.

For FY 2010, Lynchburg's RLE was \$15,882,705 and the City budgeted \$33,769,049, 112.62% more than the RLE. This compared to a First Cities average of 113.80%.

The FY 2011 Required Local Effort will be published by the State Superintendent after the State budget is finalized by the General Assembly.

The budget proposal approved by the School Board will include State funding approved by the General Assembly. As this message was being written, definite information had not been received from the State Superintendent of Public Instruction and the School Board had not adopted its proposed budget for FY 2011. Budgets adopted by the Senate and the House of Delegates were significantly different (about \$4 million apart) in the amount of State funding that would be provided to Lynchburg City Schools. For the purposes of this document, a placeholder amount of \$44 million in State funding is used. That amount splits the difference between the House and Senate budgets and is approximately \$9 million less than FY 2010 funding.

With a projected enrollment (from the State Department of Education) of 8,144 students in FY 2011, local per student support for operations would decrease 0.15%, from \$3,990 to \$3,984.

In the *Proposed FY 2011 Budget* total appropriations for Schools, including all activities and funding sources, is estimated to be \$83 million (place holder).

Debt Service

The City finances a large component of the Capital Improvement Program (CIP) with general obligation bonds. The last major bond issue occurred in the Summer of 2009 and utilized a combination of General Obligation bonds and Qualified School Construction Bonds made available through the ARRA. As a result of that financing, General Fund debt service in FY 2011 is increasing \$785,000 to a little over \$16 million. No new bond issues are planned for FY 2011 although the City may use its line of credit for certain capital activities in anticipation of future issues. Due to the state of the economy, however, the use of the line of credit will be kept to a minimum.

City Council's Debt Management Policy requires annual debt service expenditures for tax-supported debt not to exceed 10% of total General Fund expenditures plus School Component Unit expenditures, minus the transfer to Schools. FY 2011 debt service as a percent of operating



expenditures is projected at nearly eight percent (7.6%). The exact amount may vary slightly depending on the final Schools budget numbers.

Reserves

The *Proposed FY 2011 Budget* includes funding for the following reserves:

Reserve for Snow, Streets, and Bridges (in the CIP)	\$250,000
General Fund Reserve for Contingencies	1,200,000
General Assembly Action	1,500,000
Other Post Employment Benefits	250,000
Juvenile Services - Detention Home Worker's Compensation	20,000
	<hr/>
	\$3,220,000

The **Reserve for Snow, Streets, and Bridges** serves as a contingency should the costs of snow removal exceed budgeted resources. These funds are transferred from the General Fund to the City Capital Fund; unspent funds are used for pay-as-you-go financing of street and bridge projects.

The **General Fund Reserve for Contingencies** funds expenditures during the fiscal year that were unanticipated during budget development. Consistent with the financial management policy goal, \$1.2 million is proposed for the General Fund Reserve for Contingencies. Any funds remaining in this reserve at the end of the fiscal year revert to the General Fund undesignated fund balance. As of March 1, 2010 it is projected that as much as \$600,000 will be unspent in the General Fund Reserve for Contingencies at the end of the fiscal year. It is recommended that a portion of the remaining funds be added to the Reserve for Snow, Streets and Bridges and that the remaining portion added to the Capital Fund at year end.

Rules promulgated by the Governmental Accounting Standards Board require localities to address the costs of Other Post Employment Benefits (OPEB). In FY 2009, an **OPEB Reserve** was established to address that requirement. The City currently funds post employment health care benefits on a pay-as-you-go basis based on an actuarial study and a plan to achieve full funding of the reserve over a fifteen (15) year period. Due to budget restraints and the concern of setting aside funding that offers no direct services to citizens, the phased in approach is being used. The City is also exploring the possibility of creating or joining a trust account to accumulate and invest assets necessary to pay for the accumulated liability. For FY 2011 a General Fund contribution of \$250,000 is proposed. Additional contributions from the enterprise funds will total \$111,460. The balance in the OPEB Reserve for General Fund activities will be \$760,000 after the FY 2011 contributions.

While no additional funding is provided in FY 2011, the previously established **Medical Benefits Reserve** will be maintained as a dedicated fund balance reserve. The reserve was established to ameliorate the impact of increasing medical benefits costs and its current balance is \$125,400.

The City also maintains **School's Reserve for Textbooks and Health Insurance** totaling \$2.6 million.



There are other designated funds identified in the budget document that are reserved for specific purposes. They include funds for Recreation Programs (\$84,260), Detention Home Workers Compensation (\$60,000), Juvenile Services Group Home Reserve (\$150,000), Juvenile Services Prevention Initiative (\$25,000), Law Library (\$62,920), Museums (\$14,000), and Debt Service – Solid Waste (\$3.2 million).

Finally, an additional **Reserve to Address General Assembly Action**, in the amount of \$1.5 million, is established to address further cuts in funding for State-mandated, locally delivered services, including the Constitutional Officers and Social Services.

Fund Balance

City Council's Financial Management Policies require an Undesignated Fund Balance equal to 10% of General Fund revenues. In the event the Undesignated General Fund Balance is used to provide for temporary funding of unforeseen emergency needs, the fund balance shall be restored to 10% within five fiscal years. The proposed budget provides for a 10.1% fund balance, amounting to \$15.6 million. It also recommends utilizing \$8.3 million in fund balance for pay-as-you-go capital outlay. The excess fund balance is the result of settling up from the sale of the landfill to the Regional Services Authority, an additional return on capital investment from regional landfill operations, FY 2009 return of Schools unspent appropriation and an anticipated year-end surplus.

Personnel

As with any service organization, the largest part of the City's operating budget, approximately 62.6%, is devoted to employee compensation through salaries, wages, and benefits. This percentage is falling from over 70% in FY 2010. A stable and proficient workforce is the cornerstone of effective service to the community and the operating budget reflects the investment made in the City's employees.

The foundation of the City's compensation plan rests on the goal of attracting and retaining employees who are qualified, competent, and representative of the community through pay and benefits levels that are competitive with the relevant labor market. The Human Resources Department tracks turnover and recruitment and regularly measures market competitiveness. Through continued efforts to promote workforce stability the City has experienced acceptable voluntary turnover rates and positive recruiting experience for the relatively few vacant positions that have been advertised. Voluntary turnover has actually fallen to around three percent (3%) from past experience of five percent (5%). Total turnover, for all reasons, stands at eight percent (8%) and was impacted this year by retirements. This has occurred even though average City wages remain about ten percent (10%) less than comparative market averages.

The principles of the City's *Compensation Philosophy*, adopted in 2003, continue to serve the organization well although declining resources have prevented full implementation. The last general pay increase for City employees was on July 9, 2008, for FY 2009. The cost of a 1% adjustment to total General Fund salaries, with benefits, is approximately \$519,000. As the economy recovers, market forces may produce pressure for compensation adjustments.



The City continues to do a good job managing health care costs. An increase of about \$380,000 or five percent (5%) in the City contribution for active employee and retiree medical coverage is projected for FY 2011. No medical plan design changes are anticipated at this time, however, discussion continues with Lynchburg City Schools regarding medical plan designs and employees could see changes in coverage and rates in October.

The Health Management Program (HMP) continues to grow and provide savings. Over 1,110 employees are now participating in the HMP. Measured by lower claims, direct medical services provided by the program and the Certified Nurse Practitioner provided \$1.92 in value for each dollar spent.

With this proposed budget, I am declaring a **Reduction in Force** for the organization. This declaration initiates formal notification of affected employees and direct employee assistance including the potential to move to other positions in the organization that may be filled. At this time, this reduction in force will affect approximately fifteen (15) positions. About sixty (60) other positions are currently vacant and will be eliminated from the workforce. Some public safety positions will remain authorized but unfunded in FY 2011.

The General Fund workforce supported by the *Proposed FY 2011 Budget* totals 1,072.61 Full Time Equivalent (FTE) employees, comprised of 925.15 full-time classified (compared to 992 in FY 2010), 57.58 part-time classified, 3.00 grant full-time, 29.20 temporary, and 57.68 State-funded positions. The City's workforce in all funds totals 1,302.23 FTEs. This includes 1,110.25 full-time classified, 65.83 part-time classified, 30.62 grant full-time equivalents, 37.85 temporary and 57.68 State-funded positions.

Fleet Services Fund

The Fleet Services Fund is an internal services fund that manages the City's fleet of over 700 vehicles and equipment. The Fleet Services Director reports to a Board of Directors consisting of representatives from various departments that utilize fleet services.

The total operating budget of \$6.0 million for Fleet Services increased twelve and one half percent (12.5%) from FY 2010, primarily as a result of General Fund vehicle replacements that were deferred in FY 2010 being funded in FY 2011. The proposed budget recommends replacing twenty-two (22) public safety vehicles for the police, fire and sheriff's departments (60% of the total replacement cost), and five vehicles for streets maintenance (18% of total replacement cost). The balance covers enterprise fund vehicles and those operated by smaller General Fund departments.

Annually, Fleet Services, in consultation with each department, determines the most efficient fleet replacement program for the next year based on actual miles driven and maintenance costs. Vehicle and equipment depreciation is budgeted as a non-departmental expense in the General Fund and in the individual enterprise funds as contributions to the annual replacement costs in the Fleet Services Fund.



Capital Fund

The *Proposed FY 2011-2015 Capital Improvement Program (CIP)* includes \$61.4 million for City capital projects and \$6.9 million for school capital projects. With the addition of the planned capital projects in the Airport, Water and Sewer funds the proposed five year CIP totals \$163.0 million. Adoption of the CIP is anticipated coincident with adoption of the annual budget. Proposed capital project appropriations total approximately \$13.5 million in FY 2011 for both the City and Schools. The FY 2011 Capital Budget also includes contributions for major building repairs and roof replacements for both City and Schools. Major transportation projects include the start of construction of the Midtown Connector and the Kemper Street Bridge, replacement of the deck on the Rivermont Bridge, completion of the new D Street Bridge, and pedestrian enhancements in the Wards Road corridor. The capital budget also supports continued investment in downtown revitalization.

No new general obligation debt is planned for FY 2011, although there may be some limited use of the Line of Credit. Ideally, a portion of the Capital Improvement Program should be funded each year on a “pay-as-you-go” basis. Beginning in FY 2001, a portion of the undesignated fund balance above the targeted ten percent (10%) of General Fund Revenues was allocated to pay-as-you-go capital construction for smaller projects and/or projects that have a life of less than 20 years. Subsequently, the following budget policy was adopted as a part of the City’s Financial Management Policies: “Pay-as-you-go funding as a percentage of the City’s Five-Year CIP shall not be less than 10% with a goal of 15%.”

The *Proposed FY 2011 Budget* provides \$8.3 million for pay-as-you-go projects.

A list of proposed pay-as-you-go projects is provided on the next page.



**FY 2011 PROPOSED GENERAL FUND AND SCHOOLS PAY-AS-YOU-GO
CAPITAL PROJECTS**

Buildings	
Major Building Repairs	\$1,535,523
Major Building Repairs - Schools	1,241,733
Roof Replacements	619,706
Roof Replacements - Schools	700,000
Total Buildings	\$4,096,962
Transportation	
Public Transit Improvements (GLTC)	\$759,700
Wards Road Pedestrian and Bicycle Improvements	755,500
Bridge Maintenance	325,000
Total Transportation	\$1,840,200
Economic Development	
Culinary Arts Building (Central Virginia Community College)	\$50,452
Downtown Redevelopment	\$500,000
General Development Support	\$250,000
Street and Utility Extensions	250,000
Total Economic Development	\$1,050,452
Miscellaneous	
Radio Replacement	\$110,000
Total Radio Replacement	\$110,000
Parks and Recreation	
City Football Stadium Restoration	\$300,000
Community Park Investment Fund	75,000
New Trail Development	100,000
Community Market Parking Deck Assessment	20,000
General Park Maintenance	100,000
Parks Paving and Lighting/Reconstruction	278,000
Yoder Center Site Renovations	80,000
Total Parks and Recreation	\$953,000
Reserves	
Snow, Streets and Bridges Reserve	\$250,000
Total Reserves	\$250,000
TOTAL GENERAL FUND and SCHOOLS PAY-AS-YOU-GO	\$8,300,614



Airport Fund

The Lynchburg Regional Airport is budgeted as a separate fund to clearly delineate its financial operation and the support from the General Fund. Cost center revenues and a General Fund subsidy of approximately \$271,000 cover total expenditures of \$2.5 million. FY 2011 operating expenditures are not projected to differ significantly from the current year. With the introduction of reduced fares and additional flights at the airport, passenger boardings have increased significantly and revenues from airport operations, particularly parking lot revenues, rental car concessions, and fuel flowage fees, are expected to show modest growth resulting in increased self-sufficiency. Accordingly, the City's subsidy to the airport is projected to decrease about \$15,000 from the current fiscal year.

Water Fund

The Water Fund operates as an enterprise fund and requires no subsidy from the General Fund. In fact, it makes a payment to the General Fund through an indirect cost allocation for administrative support.

The City's water system can be characterized as having low rates and ample capacity, while being positioned for significant growth opportunities in its customer base. In addition to serving 22,535 City accounts, water is sold by contract to the counties of Amherst, Bedford, and Campbell and to two large industrial customers. Over recent years consumption has remained relatively stable, however, a slight decline in consumption of about 4% has been experienced in FY 2010. Consumption is projected to return to approximate the five-year average in FY 2011.

Significant achievements in the Water Fund include: receiving the *Excellence in Waterworks Operations and Performance Award* from the Virginia Department of Health for the third consecutive year, completion of the Pedlar Dam Break Inundation Study and Emergency Action Plan; and various water line replacement projects such as 5th Street and Old Forest Road.

A significant characteristic of the water system is its age. Some components of the distribution system, particularly in the downtown area, are over one hundred years old. Those components are beyond their useful life and are in need of replacement. The incidence of water line breaks is increasing resulting in service disruptions, higher operational costs, and, in some cases, damage to private property. The water system downtown is of particular concern and a master plan will be developed to address the aging system. Projects such as the Fifth Street water line are critical elements as it serves as the backbone of the downtown water system. Other important components of the water system that require ongoing maintenance and periodic upgrades are the Pedlar Dam, the 25 mile long, 36-inch raw water line from Pedlar to the City, nine (9) pump stations and fourteen (14) water tanks.

The FY 2011 utility rate study proposes a 4% increase in the water volume rate. The main use of the additional revenues generated by the rate increase will be for capital projects to strengthen the water system infrastructure through a water line replacement program. The goal, considered to be an absolute minimum for system integrity, is to replace 1% of the system per year. This equates to about five (5) miles of water line, at a cost of at least \$3.5 million, annually. The rate study also recommended increasing the Fire Protection Charges by 10% a year until they reach a level adequate to cover the costs of service.



The proposed budget includes additional expenditures to cover higher costs for chemicals and electricity, an increase in the indirect cost allocation to the General Fund, higher retirement benefits costs, and the funding of two positions for and the transfer of three positions from the General Fund. Reductions are anticipated primarily in contractual services.

Water Fund total revenues are projected to increase by approximately \$400,000, from \$12.5 million to \$12.9 million. Expenditures, including debt service, are projected to increase from \$11.5 million to \$12.3 million. Operating expenses are expected to total \$8.6 million, with debt service of \$3.7 million. There will also be a transfer of \$700,000 from fund balance for pay-as-you-go capital projects.

With the proposed rate increase, the unrestricted cash balance is projected to be forty-three percent (43%) of total fund expenditures for FY 2011, in compliance with City Council's policy to maintain a fund balance of at least forty percent (40%). Council's policy also calls for a debt coverage ratio at least 1.2. For rate setting purposes the debt coverage ratio is 1.31. Due to the use of different accounting principles, the budget document reflects a debt coverage ratio of 1.18.

Sewer Fund

Like the Water Fund, the Sewer Fund operates as an enterprise fund and requires no subsidy from the General Fund. It also provides a payment to the General Fund through an indirect cost allocation for administrative support.

The City's sewer system serves Lynchburg and portions of the surrounding counties. Although operated by the City, the wastewater treatment plant is a regional asset with capital and operating costs shared proportionally by the localities. The City also has contracts with two large industrial users. Wastewater flows have been stable over recent years and are expected to remain so in the near term.

Significant achievements in the Sewer Fund include completion of various upgrades at the Wastewater Treatment Plant, such as the sludge holding tank and maintenance facility, completion of the Sanitary Sewer Evaluation Study Master Plan and Report; and receipt of nearly \$20 million in ARRA funding which helped towards significant progress on the CSO Program.

As with the Water Fund, the Sewer Fund is challenged by an aging infrastructure that requires additional maintenance and capital expenditure, increasing regulation, and higher chemical, energy and equipment costs. Sludge disposal, wastewater treatment plant upgrades and sewer line replacement are pending issues. The biggest challenge facing the Sewer Fund, however, is the requirement to eliminate overflows from the City's combined sewer/stormwater system that occur during periods of high rainfall. The effort to eliminate the overflows requires significant capital expenditure, with resulting debt service, and places a heavy burden on City utility users.

The City is subject to a Special Order with the Department of Environmental Quality (DEQ) that regulates efforts to eliminate the Combined Sewer Overflow (CSO) problem. The Special Order establishes a compliance schedule and project priorities for implementation of the City's CSO control plan. Since signing the Special Order in 1993 the City has eliminated 102 out of 132 overflow points and has reduced the pollution loading into the James River and its tributaries by approximately eighty percent (80%). Although the City has spent over \$150 million on the CSO control program, the



estimated cost to complete the remaining work is over \$300 million. While separation projects continue in selected areas of the City, recent capital projects have focused on replacement of the James River Interceptor, a critical and threatened component of the wastewater collection system. The City is also working with Randolph College to disconnect rain leaders and install a rain garden for stormwater management. A significant initiative is the development of a Long Term Control Plan to evaluate the best approach for achieving water quality requirements.

The compliance schedule established by the Special Order does not contain fixed dates for implementing the CSO control plan, but rather provides for implementation based on three criteria that reflect the limits of the City's financial capability. These criteria are:

1. The City is required to maintain rates so that the annual sewer bill for the average residential customer, using 7 hundred cubic feet (hcf) a month, equals or exceeds 1.25% of median household income (MHI).
2. The City is required to maintain a sewer operating debt coverage ratio within a range of 1.15 to 1.5.
3. The City is required to have reserve funds equal to no more than 25% of the prior year's budgeted operating expenditures.

The City contracts annually with a utility rate consultant to review operating budget and capital program assumptions and to recommend if any rate adjustment is necessary, beyond that required by DEQ, in order to adequately finance Sewer Fund activities and to ensure compliance with the provisions of the Special Order.

Because the provisions of the special order can be met without a sewer volume rate increase, no increase is recommended. This interrupts five years of annual 3% increases required by DEQ as part of a debt restructuring, and, while providing relief to users, will reduce resources to support capital expenditures by about \$4 million a year.

The *Proposed FY 2011 Budget* projects revenues of \$19.5 million, compared to expenditures of \$19.8 million (\$9.7 million for operations, \$7.6 million for debt service, and a \$2.5 million transfer to capital for pay-as-you-go funding). The proposed budget funds the increased costs for retirement benefits, additional operating costs for chemicals and electricity, additional debt service and an increase in the indirect cost allocation to the General Fund.

Although no sewer volume rate increase is recommended, several fee increases are proposed. The increases are necessary to better cover the actual costs for special activities required for a few customers but subsidized by all users. Increases of 10% are recommended for industrial surcharges to treat high strength sewage and for industrial permit fees for pretreatment monitoring of high discharge producers. A five percent (5%) increase is recommended for septic hauler charges. In each case the cost of the special activity is significantly greater than the revenues produced by the fees.

The unrestricted cash balance is projected to be twenty-nine percent (29%) of fund expenses for FY 2011. For rate setting and Special Order purposes the debt coverage ratio is 1.37. Due to different accounting principles the budget document reflects a debt coverage ratio of 1.30. Based on 2000 Census data, adjusted to July 1, 2009, the annual sewer bill for the average residential customer is estimated to be 1.29% of median household income.



Outstanding Issues

There are several outstanding issues that may impact budget deliberations.

- Revenue projections in the *Proposed FY 2011 Budget* are based on an analysis of actual revenues and trends up to January 1, 2010. Staff will re-examine revenues after April 1, 2010, and suggest appropriate adjustments.
- Legislation adopted by the General Assembly could add additional costs or further impact revenues coming to localities. Staff will analyze how the actions of the General Assembly impact the proposed budget as information becomes available.
- Social Services funding and the potential impacts of reductions in local funds on state and federal funding and service delivery are still being analyzed. Further information will be provided to City Council during budget deliberations.

Outlook

Sound fiscal management and planning ahead have helped the City to weather the second year of the “Great Recession.” While some of the concerns expressed earlier in this document have not materialized to the negative extent feared, they remain nevertheless. The assessed value of both real and personal property will need to be closely monitored. As the economy recovers consumption related taxes should show stronger growth. Revenues at the State level may also start to grow, however, decisions made by the General Assembly will have an impact on the funding of state-mandated, locally delivered services for many years. Few expect the recovery to be so strong that the economy will be restored to its pre-recession condition. The general consensus is that we are facing a “new normal” where resources will remain scarce while expectations for government services remain high. Accordingly, we can expect budget challenges to remain with us and efforts to adjust to a more austere reality will need to be sustained.

For City government, the elimination of over seventy positions will establish a new baseline of resources available to deliver desired services. City staff will be challenged to continue seeking opportunities for innovation, collaboration and consolidation in order to reduce costs and increase efficiency. They have risen to the occasion already and will remain committed to the highest ideals of public service. At some point, however, the quality and timeliness of service delivery will diminish unless adequate resources are provided to meet the expectations of citizens. As we struggle with that dilemma, we will continue with our civic engagement efforts to inform citizens, receive their feedback and, working together, discuss priorities, expectations and approaches. Local government is that level of government that is the closest to the people that it serves and is the most easily influenced by its citizens. Civic engagement strives to strengthen this important partnership of mutual responsibility.

In the coming year, regardless of the pace of economic recovery, a number of challenges will need to be addressed. Impending regulations addressing water quality will require the development of new approaches to stormwater management with broad impacts across the City. The City’s aging infrastructure of water and sewer facilities, roads, bridges and buildings also require a significant investment. During the year several important projects will be completed or started, including the new D Street Bridge, renovation of the Rivermont Bridge, the Midtown Connector, and pedestrian improvements on Wards Road. Planning will also continue to develop plans for renovations to the



Miller Center on Grove Street and City Stadium. Community discussions will also begin on how to address the challenge of Heritage High School.

While the maintenance of core infrastructure is critical, investment that enhances community livability, or “quality of life,” remains important. During the recession Lynchburg has been one of the top two regions in the Commonwealth for job creation. This did not happen by coincidence. The delivery of excellent core services, a safe community, an outstanding school system, a revitalized and attractive downtown, restored historic inner city neighborhoods, housing that is diverse, of good quality and affordable, accessible parks and trails and a beautiful natural environment all make the City an attractive place to live, work, play, and raise a family. With continued investment, sound fiscal management, an engaged citizenry and visionary leadership Lynchburg will remain the commercial, cultural and institutional hub of the region.

Conclusion

The *Proposed FY 2011 Budget* is offered for City Council consideration, deliberation, amendment, and adoption. Over the next several weeks, Council will have the opportunity to hear from and question the representatives of the various departments and agencies seeking funding in FY 2011. Work sessions will be held on Tuesday afternoons throughout the months of March and April. A public hearing on the proposed budget is scheduled for April 6, 2010, at 7:00 p.m., in Council Chambers. During Council’s deliberations, staff is prepared to provide assistance and additional information as Council works toward budget adoption.

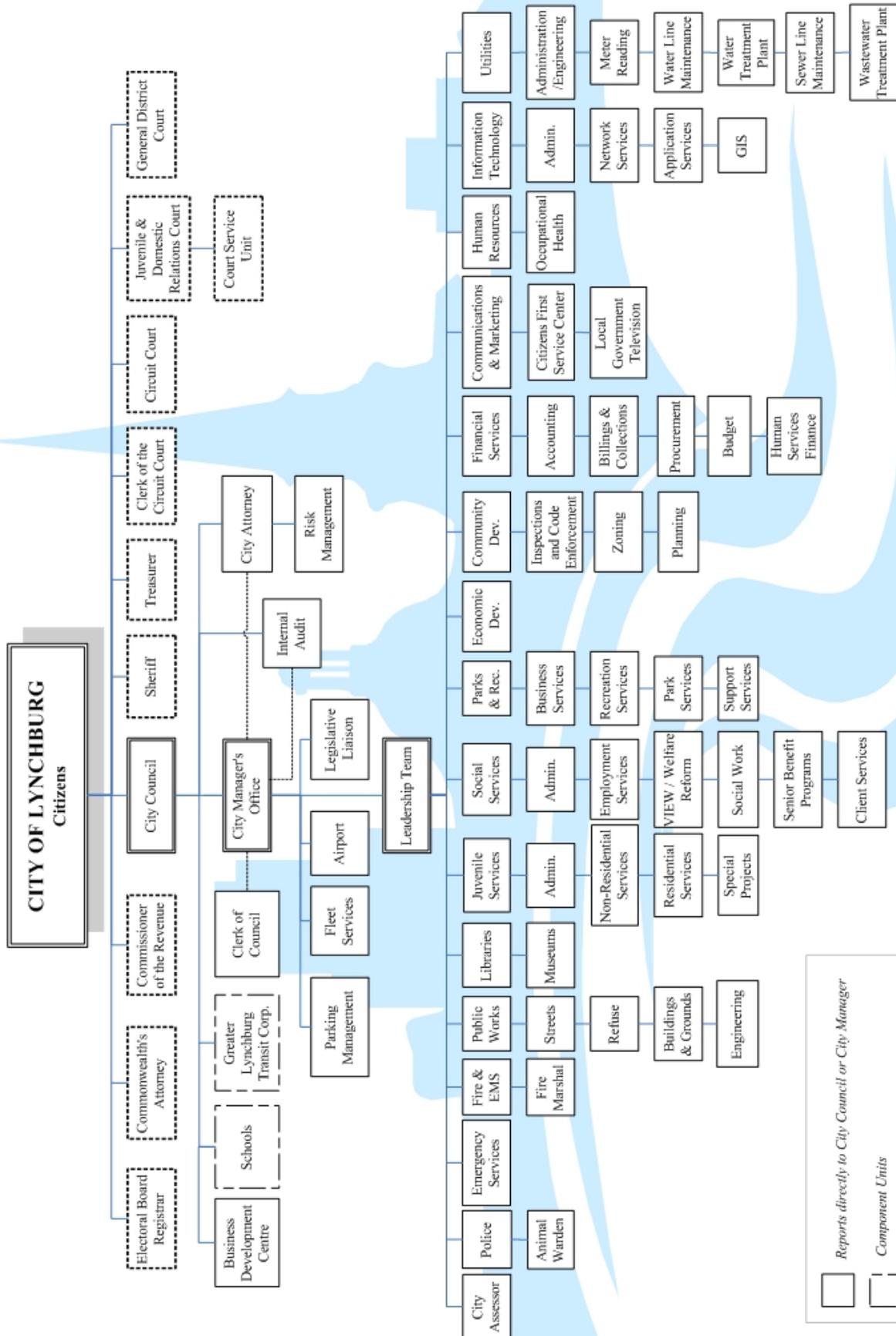
Copies of the *Proposed FY 2011 Budget* are available for public review at the main public library and the downtown branch as well as on the City’s website at www.lynchburgva.gov.

Acknowledgements

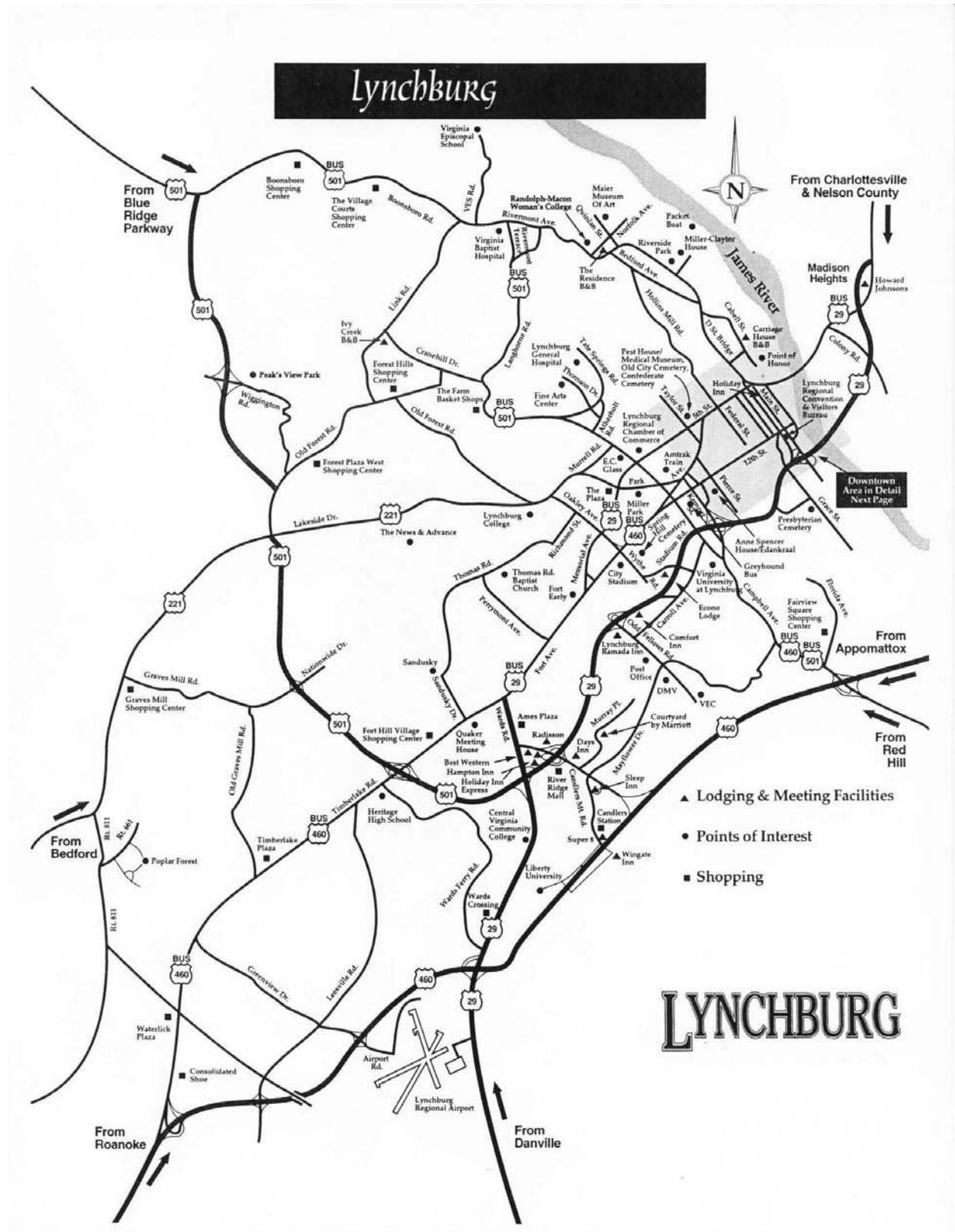
I would like to acknowledge the hard work of City staff who developed and produced the *Proposed FY 2011 Budget*. Once again Deputy City Manager Bonnie Svrcek and Director of Financial Services Donna Witt provided outstanding leadership for the overall budget process. Michelle White, Megan Palmer, and Cindy Speck in the Budget Office provided valuable analysis, review, and logistical support in the development and production of the budget document. Financial Services staff Barbara Hudson, Reid Lanham, Amanda Smith, Lee Waller, Ashley Partridge, Kathy Collins, and Fred McWane and Financial Services Assistant Director, Rhonda Allbeck, also provided assistance.

Finally, I want to recognize the directors and staff of the various City departments who are committed to our mission to deliver services to Lynchburg’s residents, workers, and visitors in an efficient, effective, and equitable manner and to build a stronger community. This has truly been an extraordinary year. Starting immediately after adoption of the FY 2010 Budget City employees have faced the challenges of reducing costs and anticipating further reductions in resources as described in the 90% scenarios. This was a difficult task that has placed a lot of stress on employees and threatened to impact morale and service delivery. It is a tribute to those men and women who deliver services every day and night in the City of Lynchburg that the quality of service has remained excellent. Those employees are the City government’s greatest assets and they do an outstanding job.





Reports directly to City Council or City Manager
 Component Units
 Constitutional or State mandated functions.





Statistical Data

Date of Incorporation

Lynchburg was founded by John Lynch in 1757; established as a town in October 1786; incorporated as a town on January 10, 1805; and received independent city status in 1852.

Area of City

The area of the City consists of 50.107 square miles.

Population

United States Census 1990.....	66,743
United States Census 2000.....	65,269
Final Estimate 2007 ¹	70,056
Final Estimate 2008 ¹	71,196
Provisional Estimate 2009 ¹	72,371

¹ Source: Weldon Cooper Center for Public Service, www.coopercenter.org

Form of Government

Lynchburg is organized under the Council – Manager form of government. The City Council, comprised of seven members, is elected on either an at-large (3 members) or ward (4 members) representative basis for four-year staggered terms of office. From among the elected City Council members, they choose on or near July 1 of each election year by simple majority vote a Mayor, who serves a two-year term.

Appointed by the City Council, the City Manager serves as the chief administrative officer of the municipal corporation. The City Manager performs the City’s administrative and policy-related duties, directs business procedures and has the power of appointment and removal of the heads of all administrative departments as well as other employees of the City. The City Manager’s primary focus is on helping Council set priorities; interpreting City Council’s actions to the appropriate department, outside organizations, and citizens; and providing professional leadership in executing the adopted policies of City Council.

Segregation of Taxable Subjects for Local Taxation Only

By an Act of the General Assembly of Virginia, approved March 31, 1926, all real estate, tangible personal property, and machinery used for manufacturing purposes, were segregated to the City, and those subjects are not liable to any general tax except the City tax.

Assessments

The City Assessor of real property appraises the market value of real estate on a biannual assessment cycle. The entire City is reviewed every other year (with values effective the first day of July of the odd years) and adjustments are made where necessary based upon market evidence indicating a change in the value.

The Commissioner of Revenue is required by law to assess vehicles and motorcycles by means of a recognized pricing guide. For most other personal property, the assessed value is based on a percentage of original cost.

The Commissioner of Revenue as required by the *Code of Virginia* assesses tangible personal property and machinery and tools. The City prorates personal property on a monthly basis.



Lynchburg, Virginia is a city which remembers its past while focusing on the future - a vibrant central city fostering a strong sense of community, economic opportunity for all our citizens and responsive, results-oriented local government.

Lynchburg is a city of 50 square miles located near the geographic center of the state, bordered by the eastern edge of the beautiful Blue Ridge Mountains. It is located approximately 180 miles southwest of the nation's capital, Washington, D.C.

An active community boasting friendly residential neighborhoods, Lynchburg has a tradition of outstanding public education. Lynchburg operates one of the top school systems in the state and is recognized for its unique Partners in Education program that partners the business and government sector with the schools. The City is also home to five public/private colleges and universities.

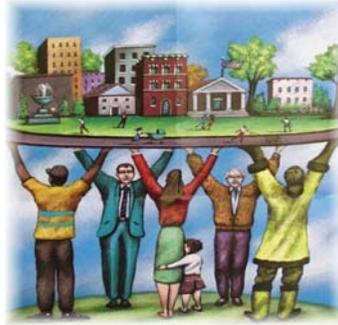
A city with outstanding cultural, educational, and recreation opportunities, Lynchburg has over 800 acres of parkland and a nationally recognized urban trail system. The parks and trails provide a full range of recreation opportunities including tennis, basketball, recreational and competitive sports, horseshoes, hiking, biking, and Frisbee golf. Citizens and visitors alike can swim at an Olympic size swimming pool, take in a minor-league baseball game, launch a canoe on the James River, and participate in a recreation class or program at one of the eight community centers (including the Templeton Senior Center).

Lynchburg has operated under a Council/Manager form of government since 1920. The City Council, comprised of seven members, is elected for four-year staggered terms of office. The Mayor and Vice Mayor are elected by the City Council. In November 2006, City Council adopted a vision statement that focuses on community character, economic prosperity, good government, multicultural vibrancy, and making Lynchburg a compelling destination.

The City Manager is responsible to the City Council for the effective operation of all government functions. In 2005, the City began a basic performance measurement program whereby each City Department identified at least three measures of the work it delivered. Subsequently, the measures were reviewed and adjusted by City Council. In December 2005, the City, along with 27 other Virginia localities, joined the International City-County Management Association (ICMA) Center for Performance Measurement (CPM). Even though the City no longer participates in the CPM Program, the City understands that by focusing on performance measurement, the City will better determine the efficiency and effectiveness of service delivery and program objectives.



From left to right, downtown Lynchburg is featured with the James River in the foreground; Hollins Mill Dam with a bike rider is in the middle of the collage; and at the end is a young lady in period costume writing in calligraphy at the James River Batteau Festival. Photographs courtesy of Nancy Blackwell-Marion



LYNCHBURG CITY COUNCIL VISION

We will work to ensure an environment in which all of the residents of Lynchburg are free to pursue their dreams, hopes, and aspirations through our understanding and commitment to meet the public's needs in the areas of:



Community Character

The character of our City is defined by the values and behaviors of its residents and its natural and built environments. We are a beautiful, safe and comfortable community with hospitable, friendly, and caring citizens who are free to pursue their values of faith and family according to their individual preferences.



Economic Prosperity

Our City will maintain a vibrant, industrious community that will expand economic opportunities for our citizens. We embrace policies that will enhance economic prosperity with the support of a strong Industrial Development Authority, emphasis on education, workforce development, and a continued commitment to business-friendly initiatives.



Good Government

City government will deliver, in an equitable manner, public services through the effective and efficient stewardship of resources.



Multicultural Vibrancy

Lynchburg acknowledges and values its rich cultural, ethnic, racial, and religious diversity while promoting a respectful and cohesive community.



A Compelling Destination

The City is a regional draw for entertainment, shopping and business. Our unique historic heritage and tourism attractions draw a national audience. With its breadth of recreational experiences, centers of interactive living history, and opportunities for educational excellence, our City appeals to all generations.

Adopted December 2006



Organizational Vision, Mission, and Values

City Council's vision for the community includes the organizational vision, “Working together, we will be a progressive community shaped by new ideas and solutions, a skilled and innovative workforce, and citizen leadership – all distinguished by responsible and traditional values, involvement, new technology and quality citizen services.”



Inherent in City Council's vision, the mission of the employees of the City of Lynchburg is to deliver services to City residents, workers, and visitors in an efficient, effective, and equitable manner and to build a stronger community.

The core values that guide the organization’s actions and decision-making are the following:

Respect – *appreciating the mixture of similarities and differences in beliefs and behavior of employees and citizens*

Honesty – *telling the truth, refraining from cheating and stealing and avoiding conflicts of interest*

Customer Focus – *demonstrating a commitment to internal and external customer service*

Personal Responsibility – *taking ownership and accepting the consequences of one’s actions*

Integrity – *consistently applying these core values even when doing so is difficult or unpopular*



FY 2009 Accomplishments and Recognitions

ECONOMIC DEVELOPMENT

Areva NP continued with its plan to hire 500 new engineers in Lynchburg. This workforce initiative remains despite having put a hold on its \$25 million building project to provide the office space needed for expanded operations due to uncertainty about how the economy could affect electric utilities and the nuclear power industry. Design continues for the first new U.S. commercial nuclear reactor in a generation as an energy project that would use Areva's U.S. Evolutionary Power Reactor. Furthermore, the Babcock & Wilcox Company, a subsidiary of McDermott, headquartered in Lynchburg, announced the development of two new initiatives, design and production of a scalable, modular advanced light water reactor system and the planned manufacturing of radioisotopes for molecular imaging and nuclear medicine procedures. Both of these initiatives will bring new investment and employment to the region.

In the health services sector, Centra Health, which owns and operates both Lynchburg General and Virginia Baptist Hospitals in Lynchburg, completed its first year in the 75,000 square foot Alan B. Pearson Regional Cancer Center and the \$69 million five-story, 108-bed tower addition to Lynchburg General. Centra continued to expand its operations through the acquisition of private medical practices, and the expansion of services to a broader geographic region including Danville, Farmville, and Halifax County.

Liberty University (Liberty) continued its rapid expansion in enrollment with a 24% increase for the academic year. With over 11,000 students on campus, 3,000 faculty and staff, and over 33,000 students enrolled in its Distance Learning Program, Liberty's enrollment increased to over 45,000 students. Liberty University expanded facilities in FY 2009 including the Thomas Indoor Soccer Center and the Liberty Mountain Snowflex Center. The Snowflex facility, constructed with a synthetic material designed to simulate the surface of snow on a ski slope, is the first in the United States. Also completed on Liberty's campus in 2009 was a new 25,000 square foot Barnes and Noble Bookstore.

The Washington Post called Lynchburg "Fine and Funky." They wrote, "Lynchburg is the perfect place to while away a long weekend. It embodies just the right blend of fine and funky, all within a walkable historic downtown."

Forbes Magazine rated Lynchburg number 70 out of 200 metropolitan areas for the Best Places for Business and Careers and in 2008, the Milken Institute placed Lynchburg at number 71 out of 200 of the top U.S. cities for economic growth. In 2009, Lynchburg moved up to number 60 in that same category indicating that we are stable even through economic uncertainty.

FINANCIAL SERVICES

Major bond rating agencies Fitch, Moody's, and Standard & Poor's reaffirmed the City's AA bond rating.

The City received the Government Finance Officers Association's Distinguished Budget Presentation Award for the 5th consecutive year and the Certificate of Achievement for Excellence in Financial Reporting for the 12th consecutive year.



LYNCHBURG CITY SCHOOLS

For 2009, the State of Virginia Department of Education notified Lynchburg City Schools that fifteen of the sixteen public schools earned full accreditation; one school received accreditation with warning. City Schools also met 100% of the objectives of Adequate Yearly Progress in nine of the sixteen schools for the FY 2009 school year. Five of the schools met 93% of the objectives and the other two met 90% of the objectives.

In January 2009, then Governor Tim Kaine announced that Bedford Hills, Paul Munro, Sandusky and Bass Elementary Schools were among the winners of the Board of Education Excellence Awards. According to the Virginia Board of Education, these four elementary schools earned the award by “meeting all state and federal accountability benchmarks for at least two consecutive years and have made significant progress toward goals for increased student achievement and expanded educational opportunities set by Governor Kaine and the board.

CULTURAL AND LEISURE SERVICES

The Lynchburg Museum System hosted 12,898 people in FY 2009 at the Museum, Point of Honor, and through community outreach programs. During the year, a number of significant artifacts were donated to the Museum including a flight suit worn by and photographs of Lynchburg-native Leland Melvin, an astronaut aboard a 2008 Atlantis Space Shuttle mission to the International Space Station. The Museum also launched a digital photographic website that allows public access to over 6,000 historic images of Lynchburg scenes, events, and people.

The Lynchburg Public Library and Mayor Joan Foster were recognized by the Virginia Public Library Director’s Association for the Mayor’s Reading Club.

UTILITIES

In 2009, the two water treatment plants operated by the Utilities Department received awards from the Virginia Department of Health’s Office of Drinking Water. The Virginia Excellence in Granular Media Water Treatment Performance bronze award was given to the Abert Water Treatment Plant and the College Hill Water Treatment Plant received a silver award.

The Virginia Excellence in Granular Media Water Treatment Plant Performance Award was presented to only a little more than half of the water plants in Virginia that use granular media for drinking water production. Levels of excellence are based on performance goals established in Virginia’s Optimization Program.

The intent of Virginia’s Excellence in Waterworks Operations Awards is to recognize owners of individual and/or multiple waterworks that have met all drinking water standards, treatment technique requirements, compliance orders, and monitoring and reporting requirements, and have demonstrated excellent practices and innovative ideas in the provision of safe drinking water to the public.

INFORMATION TECHNOLOGY

In FY 2009, the City continued its commitment to utilize information technologies to improve the performance of local government and the delivery of services to citizens. For the fifth consecutive year, the City was named a national leader by the Center for Digital Government for its achievements in utilizing information technologies. For the second consecutive year, Lynchburg placed first in the nation for cities in the population category of 30,000 – 74,000 for its use of information technologies to improve service delivery to citizens and to advance the concept of digital government.

INFRASTRUCTURE

Construction continued on the new Juvenile and Domestic Relations Court House and Sandusky Middle School. Both of these buildings are being built using Leadership in Energy and Environmental Design (LEED) certification standards. Funding for the Juvenile and Domestic Relations Court House consists of cash from the sale of the City’s Landfill to the Regional Authority and general obligation bonds. The City closed on bonds in August 2009 to complete financing for these two projects. An application was made for Literary Loan funds to assist with financing for Sandusky Middle School and the project was placed on a waiting list. With Literary Loan funding subsequently eliminated by the State, financing for the school will be completed through the Federal American Recovery and Reinvestment Act Qualified School Construction Bond Program. Funds for FY 2010 debt service payments were placed in a reserve in the FY 2008 Adopted Budget in anticipation of this borrowing.



UNDERSTANDING THE BUDGET

The City of Lynchburg, Virginia (the “City”) was founded by John Lynch in 1757, established as a town in 1786, and incorporated as a city in 1852. The City operates as a Council-Manager form of government and provides all municipal services to its residents.

Purpose of the Lynchburg Operating Budget and Capital Improvement Program

Lynchburg’s operating budget provides information about the annual financial plan of the City. Included in this budget document is information on the General Fund, Enterprise Funds, and other funds. The document has program descriptions that explain the function of City departments, performance measures and financial tables that show the revenues, expenses, and other fiscal details of the City’s programs and activities.

The five-year Capital Improvement Program is both a financial plan and planning document to guide new and ongoing building, transportation, parks and recreation, economic development, and school projects.

What is an Operating Budget and Capital Improvement Program?

An operating budget shows how much money the City will collect to pay for the normal costs of doing its work and how much it will spend. The proposed operating budget is the City Manager’s recommendation to the City Council on how the City should collect and spend money during a fiscal year (July 1 through June 30).

The Capital Improvement Program includes the cost of investing in major capital assets, such as a new building, infrastructure and maintenance of existing assets. The first year of the five-year Capital Improvement Program appears in the appropriated budget. City Council only has the authority to appropriate funds on an annual basis. The costs of the normal work of using and maintaining capital assets appear in the operating budget.

Legal Requirements for the Operating Budget

Section 14 of the City Charter requires the City Manager to act as Budget Commissioner, and as such to prepare and submit an annual budget to the City Council. Further, Section 14 states that “At such time as the Council may direct, but not later than forty-five days before the end of each fiscal year, the City Manager shall prepare and submit to the Council for informative and fiscal planning purposes only, an annual budget for the ensuing year, based upon detailed estimates furnished by the several departments and other divisions in the City government according to a classification as nearly uniform as possible. The budget shall contain such other information as may be prescribed by Council.” (Act 1960, Ch. 479, Sec. 1, p. 740)

Budget Process

The budget process should be responsive to the overall budget needs of the entire City government, including the fiscal policy concerns of the Council, the financial management responsibility of City staff, the day-to-day operating requirements of City agencies and the needs of citizens for information concerning the budget.

Budget Timetable

Typically, in early March, the City Manager submits to the City Council a proposed operating budget for the fiscal year starting July 1 and ending June 30 of the following year. The City Manager includes a budget message that explains budget issues and presents recommendations. The operating budget includes proposed expenditures and the means of financing them. Council studies the proposed budget at work sessions throughout the months of March and April and holds a public hearing to receive citizens’ comments. The Council makes final budget decisions and adopts the budget through passage of an appropriations resolution during the month of May. By July 1st, the beginning of the fiscal year, the City Manager prepares and distributes the adopted budget.



DESCRIPTION OF CITY FUNDS

For accounting purposes, a local government is not treated as a single, integral entity. Rather, a government is viewed instead as a collection of smaller, separate entities known as “funds”. The Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards (Codification)*, Section 1300, defines a fund as:

“A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.”

All of the funds used by a government must be classified into one of eleven “fund types”. Five of these fund types are used to account for a state or local government’s “governmental-type” activities and are known as “governmental funds.” Two of these fund types are used to account for a government’s “business-type” activities and are known as “proprietary funds.” Finally, the remaining four fund types are reserved for a government’s “fiduciary activities.”

Governmental Funds

Three fund types are used to account for City governmental-type activities: General Fund, Special Revenue Funds and Capital Funds.

General Fund

The General Fund is used to account for most of the day-to-day operations of the City, which are financed from taxes and other general revenues. Activities financed by the General Fund include those of line and staff departments within the City except for activities of the Enterprise Funds.

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources which are designated to finance particular functions or activities of government. These revenues are either legally restricted by outside parties such as Federal and State governments for grants or the local governing body imposes restrictions. The City has the following Special Revenue Funds:

- Asset Forfeiture Fund – Accounts for revenues received from the sale of confiscated assets, which are related to illegal drug sales and are used for law enforcement activities.
- Central Virginia Communications Radio Board Fund – Accounts for revenues received to support the operations and capital expenditures of the Central Virginia Regional Radio Board.
- Community Development Block Grant Fund – Accounts for revenues received from the Department of Housing and Urban Development, which are used for various development projects to accomplish the goals of the block grant program.
- Comprehensive Services Act Fund – Accounts for revenues received under the Comprehensive Services Act for At-Risk Youth and Families adopted by the Virginia General Assembly.
- Housing, Opportunities, Medical Care, and Education (HOME) Ownership Program Fund – Accounts for revenues received from the Department of Housing and Urban Development for support of affordable housing needs in the City.
- Lynchburg Business Development Center Fund – Accounts for revenues received to support a local business incubator and for monies received from the Economic Development Administration for a revolving loan fund and certain other economic development assistance.
- Lynchburg Expressway Appearance Fund (LEAF) – Accounts for the revenues associated with beautification of the Lynchburg Expressway.
- Regional Juvenile Detention Home Fund – Accounts for revenues received to support the operations of the City’s Juvenile Detention Home.
- Schools Operating Fund – Accounts for the primary operating activities of the Lynchburg City Schools.
- Stadium Fund – Accounts for revenues and expenditures to support the operations and debt service of the baseball stadium.
- Technology Fund – Accounts for revenues from the City’s strategic partner to support the upgrade and replacement of technology equipment.



- City/Federal/State Aid Projects Fund – Accounts for the City’s various federal and state grants for such purposes as building projects, certain social service and community development programs and public safety.

Capital Funds

The Capital Fund accounts for all resources used for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Proprietary Funds and Trust Funds. These funds consist of City, Schools, Airport, Water, and Sewer Capital Projects Funds.

Proprietary Funds

Two fund types are used to account for a government’s business-type activities (activities that receive a significant portion of their funding through user fees). These are the enterprise funds and the internal service funds.

Enterprise Funds

Water and Sewer, Stadium, Airport and Passenger Facility Charge Funds are used to account for the acquisition, operation and maintenance of City-owned water and sewer facilities, stadium, and airport operations. These funds are entirely or predominantly self-supported by user charges. The operations of these funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises. The Airport and Stadium Funds receive some support from the General Fund in the form of an interfund transfer.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one fund, department or agency to other fund, departments or agencies, and to other governments, on a cost-reimbursement basis.

The Fleet Services Fund contains funding for maintaining the City’s equipment and vehicle fleet. Each department using Fleet Services contains funding to pay for the actual cost of maintaining vehicles utilized by the department. Fleet Services bills departments on a monthly basis for their fleet related expenses. The depreciation of fleet vehicles and equipment is accounted for in non-departmental.

The Self-Insurance Fund is used to account for the self-insurance related activities including property/casualty and liability insurance.

Fiduciary Funds

These funds are used when a government holds or manages financial resources in a trustee or agency capacity; therefore, these resources cannot be used to support government programs. There are four fund types to account for various types of fiduciary obligations. These are pension trust funds, investment trust funds, private purpose trust funds and agency funds.

The City’s Agency Funds are custodial in nature (assets equal liabilities). These funds consist of the City Payroll Agency Fund (which includes health and dental claims), School Fiscal Agent Fund, and Special Welfare Fund.

Lynchburg City Schools

Federal, State and City funds support the operating needs of the Lynchburg City Schools. Capital construction needs of the schools are primarily supported by City funds with additional State funding as approved by the General Assembly.

The Lynchburg City Schools operate eleven elementary, three middle, and two high schools in the City.



BUDGET PROCESS

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

Governmental fund financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay expenditures of the current period. Accordingly, real and personal property tax revenues are recorded as revenues principally on the cash basis until year end, at which time current property tax receipts received within 45 days of year end are accrued. Property taxes not collected within 45 days after year-end, net of allowances for uncollectible accounts are reflected as deferred revenues.

Intergovernmental revenues, consisting principally of categorical aid from federal and state agencies are recognized when earned or at the time of the specific expenditure. Sales, public utility, and Communications Sales and Use taxes, which are collected by the Commonwealth of Virginia and public utilities, respectively, and subsequently remitted to the City, are recognized as revenues and receivables when measurable and available.

Expenditures in governmental funds are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exceptions to this general rule are principal and interest on general long-term debt, which are recognized when due.

Proprietary fund types utilize the accrual basis of accounting. Revenues are recognized when earned, including unbilled utility receivables, and expenses are recognized when incurred.

Basis of Budgeting:

The budgets for the General, Airport, Sewer, Water, Capital Projects and all Special Revenue Funds are prepared in accordance with the City Charter on a modified accrual basis of accounting. Encumbrances are treated as a reservation of fund equity and reappropriated in the next fiscal year. Revenues, expenditures, and transfers related to internal service type functions are included for budget purposes. The budget for the Lynchburg City Schools (School Operating Fund) is prepared on the modified accrual basis of accounting.

Project budgets are utilized in the Capital Project Funds. All Operating Budget appropriations which are not encumbered lapse at year-end. Appropriations for the Capital Project Funds are continued until completion of applicable projects, even when projects extend for more than one fiscal year, or until repealed.

Encumbrances:

Encumbrance accounting is a process in which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation for future expenditure. Encumbrances are treated as a reservation of fund equity and re-appropriated in the next fiscal year.

Amending the Budget:

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total budget amounts and /or appropriations of any fund require an amendment to the budget. The Code of Virginia requires that City Council approve any amendment. If the total of the proposed amendment exceeds one percent of the total expenditures shown in the currently adopted budget, the proposed amendment must be advertised and a public hearing must be held before City Council can act. After the public hearing, City Council can act on the proposed amendment.

The Relationship between the Budget and the Capital Improvement Program:

The City also prepares a five-year Capital Improvement Program (CIP) for City Capital Projects, School Capital Projects, Water, Sewer, and Airport funds. The CIP specifies capital improvement or construction projects, which are tentatively identified for funding during the next five years, with the first year of the plan serving as the capital budget. General obligation bonds, revenue bonds, grants and low interest as well as no-cost loans from the State government are the primary means for funding capital improvements. Additionally, “pay-as-you-go financing” (cash) is used to provide capital funding. Restricted sources from user fees such as the Passenger Facility Charge on airfares are another source of funding for Airport Capital Improvements. A debt service schedule for all bonds and loans is included in the Budget and CIP summaries by Fund.



**CITY OF LYNCHBURG
BUDGET CALENDAR
FY 2011**

June 29, 2009	Send Carry forward Letter to Departments
July 14, 2009	Council Meeting
July 15, 2009	Carry forward due to Budget office
August 3, 2009	Council Retreat -FY 2011 Budget Preview
August 11, 2009	Work Session/Council Meeting
September 8, 2009	Work Session/Council Meeting; Carry forward to Council
September 22, 2009	Work Session/Council Meeting
September 29, 2009	Technology Project requests due to IT
October 1, 2009	Preliminary Benefit Rates Due to Budget Office from Human Resources; Preliminary Debt Numbers due to Budget Office from Finance
October 13, 2009	Work Session/Council Meeting
October 15, 2009	Citizen Civic Engagement (1 of 3) CIP Project Managers Meeting to Request FY 2011 Submissions
October 22, 2009	Citizen Civic Engagement (2 of 3)
October 27, 2009	Work Session/Council Meeting
October 22, 2009	Citizen Civic Engagement (3 of 3)
November 2, 2009	90% of Budget Memos due to City Manager
November 4, 2009	Employee Engagement (1 of 6)
November 9, 2009	Employee Engagement (2 of 6)
November 10, 2009	Council Meeting;
November 12, 2009	Employee Engagement (3 of 6)
November 13, 2009	Employee Engagement (4 of 6)
November 16, 2009	Employee Engagement (5 and 6 of 6)
November 24, 2009	Council Meeting
December 1, 2009	CIP Submissions Due to Budget
December 8, 2009	Council Meeting;
December 14, 2009	Debt Service Numbers Due to Budget
January 12, 2010	Council Meeting;
January 13, 2010	Schools Operating Budget Due
January 15, 2010	Revenue Projections to City Manager Budget Submissions Due Based on 90% Funding Mid-Year Performance Measures Review
January 25, 2010	Non-Departmental Budget Due from Human Resources
January 26, 2010	Council Meeting
February 1, 2010	Budget Submission and Fund Summaries for Water and Sewer Funds Due
February 6, 2010	Budget Council Retreat
February 9, 2010	Council Meeting
February 12, 2010	Balance Budget
February 23, 2010	Council Meeting
March 3, 2010	Budget Adjustments to Department Directors Departmental Review of Budgets
March 4, 2010	Manager's Proposed Budget to Council
March 9, 2010	Council Work Session - City Manager to Present Budget to Council
March 16, 2010	Council Work Session - City Manager to Present Budget to Council; Ad for Public Hearing
March 23, 2010	Council Work Session - City Manager to Present Budget to Council
March 26, 2010	Send Third Quarter Letter to Departments
March 30, 2010	Council Work Session - Council Balance Budget
April 6, 2010	Council Meeting - Public Hearing for Budget
April 9, 2010	Third Quarter Requests Due from Departments
April 13, 2010	Council Work Session - Council Balance Budget
April 20, 2010	Ad for 3rd Quarter; Council Work Session - Council Balance Budget
April 27, 2010	Council Work Session - Council Balance Budget Resolution for Manager Approval
May 11, 2010	Council Meeting - First Reading of Budget for Adoption; 3rd Quarter Public Hearing
May 25, 2010	Council Meeting - Second Reading of Budget for Adoption; 3rd Quarter Adoption
July 2, 2010	Adopted Budget to Council and Departments



DEFINITION OF TERMS

Accrual Basis of Accounting – Method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

Adopted budget – The budget approved by City Council and enacted through a budget appropriation resolution.

Airport fund – Supports the operation and maintenance of the Regional Airport. This fund is intended to operate on a self-sustaining or enterprise basis.

Appropriation – The legal authority granted by City Council to expend or obligate funds for a specific purpose. Appropriations may be adjusted during the fiscal year, either up or down, by amendment of City Council.

American Recovery and Reinvestment Act (ARRA) – The American Recovery and Reinvestment Act of 2009, abbreviated ARRA and commonly referred to as the Stimulus, is an economic stimulus package enacted by the 111th United States Congress in February 2009.

Assessment – The official valuation of property for purposes of taxation.

Assessment ratio – The ratio which the assessed value of a taxed item bears to market value of that item. In the City of Lynchburg, real estate is assessed every other year at market value.

Balanced budget – Occurs when total revenues equal total expenditures for a fiscal year; fund balance dollars above the Financial Policy limit of ten percent may be used to offset non-recurring expenditures.

Basis of accounting – A term used to indicate when revenues, expenditures, expenses and transfers, as well as the related assets and liabilities are recognized in the accounts and reported in the financial statements.

Beginning balance – Unexpended funds from the previous fiscal year, which may be used to fund one-time expenditures during the current fiscal year. This is also referred to as fund balance.

Blue Ridge Regional Jail Authority – The Blue Ridge Regional Jail Authority, (the “Authority”), was created by member jurisdictions for the purpose of developing and operating a regional jail system by acquiring, renovating and expanding certain existing jail facilities and constructing additional jail facilities. The member jurisdictions are the cities of Lynchburg and Bedford, as well as the counties of Halifax, Bedford and Campbell. The Authority began operating the existing jail facilities in the member jurisdiction on July 1, 1998. The City sold its existing jail facilities to the Authority during fiscal year 1997. A new central jail facility was constructed in Lynchburg and opened in FY 2000. It is owned and operated by the Authority. Each member jurisdiction pays a per diem charge for each day that one of its prisoners is at any Regional Jail Facility. In accordance with the Service Agreement, the Authority has divided the per diem charge into an operating component and a debt service component. The per diem charge is based on an agreed upon number of prisoner days, and is subject to adjustment at the end of each fiscal year.

Bond – A written promise to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure funding for long-term capital improvements. General Obligation Bonds are debt approved by City Council to which the full faith and credit of the City is pledged. The State Constitution mandates that taxes on real property be sufficient to pay the principal and interest of such bonds.

Budget – A plan for the acquisition and allocation of resources to accomplish specified purposes. A plan of financial operations comprising an estimate of proposed expenditures for a fiscal year and the proposed means of financing those expenditures (revenues). The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as “the budget of the Police Department or the Capital Budget” or may relate to a fiscal plan for an entire jurisdiction, such as “the budget of the City of Lynchburg.”

Budget adoption – The official enactment by City Council to establish authority for the obligation and expenditure of resources.

Budget document – The official written statement that outlines the annual budget.



Budget message – A general discussion of the proposed budget presented to City Council by the City Manager as a part of or supplement to the budget document. The budget message explains principal budget issues against the background of financial experience in recent years, and presents recommendations made by the City Manager.

Budget schedule – The key dates or milestones that the City follows in preparing, considering and adopting the budget.

Budgetary control – A mechanism whereby expenditures are monitored to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council.

Calendar year – Twelve months beginning January 1 and ending December 31.

Capital Improvement Program – A five-year plan for public facilities, which results in construction or acquisition of fixed assets, primarily buildings and infrastructure needs such as street re-paving. The program also includes funding for parks, sewers, sidewalks, major equipment and major items of capital equipment related to the new facilities.

Capital Funds – Funds defined by the State Auditor of Public Accounts, consisting of subfunds to account for the acquisition and/or construction of major capital facilities.

Cash Management – A conscious effort to manage cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Checks received are deposited the same day, bills are paid no sooner than the due date unless discounts can be obtained by paying earlier, future needs for cash are determined with exactness and cash-on-hand not needed immediately is invested in short-term interest-bearing investments.

Component Unit – A legally separate organization that a primary government must include as part of its financial reporting entity for fair presentation in conformity with generally accepted accounting principles.

Debt Service – Principal and interest payments on bond and capital lease long term debt.

Dedicated Revenue – Revenue specifically designated by the Federal or State government to be used for specific programs in the City.

Department – An entity within the City organization, established either by State Code or identified need, for the administration of specifically related duties or responsibilities. A department head is responsible for all expenditures and other activities assigned to that department.

Depreciation – The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to replace the item at the end of its useful life.

Disbursement – A cash payment to an outside party, or a transfer of funds to another accounting entity within the City's financial system.

Division – For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. For example, the Streets Division is part of the Department of Public Works.

Economic Development Authority (EDA) – Under the Code of Virginia, City Council passed an ordinance on March 14, 1967, which created the Industrial Development Authority of the City of Lynchburg (the "IDA"). The IDA was established to promote industry and develop trade within the City. The IDA is governed by a board of seven directors appointed by City Council. City Council, however, is not financially accountable for the IDA. In 2008 City Council changed the name from the Industrial Development Authority (IDA) to an Economic Development Authority (EDA) to more accurately reflect the work of the Authority beyond the focus of industrial development.

Encumbrance – A reservation of funds for an anticipated expenditure prior to actual payment for an item. Funds usually are reserved or encumbered once a contracted obligation has been entered into for an item, but prior to the cash payment actually being disbursed.

Enterprise fund – A type of proprietary fund used to account for the acquisition, operation, and maintenance of governmental facilities and services that are entirely or predominantly self-sustaining. This type of fund is defined by the State Auditor of Public Accounts and consists of subfunds to account for operations that are financed and operated in a manner similar to



private business enterprises. Costs of providing goods or services are financed or recovered, at least in part, through user charges.

Expenditure – The authorized payment of City funds for goods and services. Expenditures include payment in cash for current operating expenses, capital improvement and debt service.

Fiscal Year – A year-long accounting period. For the City of Lynchburg, the fiscal year is from July 1 to June 30 of the following year.

Fixed Assets – Assets of long-term character which are intended to continue to be held or used by the City, including land, buildings, machinery and other equipment.

Fringe Benefits – The fringe benefit expenditures included in the budget are the City’s share of an employee’s fringe benefits. Fringe benefits provided by the City include: FICA taxes (Social Security), health insurance, life insurance, retirement, unemployment insurance and worker’s compensation insurance.

Fund – A fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund balance – Resources, which, at year's end, have exceeded requirements and have not been designated for any specific use. These funds are not appropriated for expenditure. The unrestricted fund balance is a reserve for unanticipated emergencies and is targeted at approximately 10% of net operating revenues.

General Accepted Accounting Principles (GAAP) – Uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules and procedures necessary to define accepted accounting practices.

General Fund – A fund type used to account for all revenues and expenditures of the City not required to be accounted for in other funds. Revenues are derived primarily from property taxes, local sales tax, utility taxes, licenses, permits, user fees and other sources. General Fund expenditures finance the daily operations of the City and include the costs of general government activities, transfers to other funds and debt service requirements. Included in the General Fund are the groups and programs discussed in that section of this budget.

Governmental Funds – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Intergovernmental Revenues – Revenues from other governments, such as the State and Federal government in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Investment Earnings – Revenue earned on investments with a third party. The City uses a pooled cash system, investing the total amount of cash regardless of fund boundaries. The interest earned is then allocated back to individual funds by average cash balance in that fund.

Internal Service Fund – A type of proprietary fund used to account for the financing of goods or services provided by one City program to other City programs, or to other governments, on a cost-reimbursement basis.

Lease-Purchase Agreement – An agreement that conveys the right to property or equipment for a stated period of time. It allows the City to spread the cost of the acquisition over several budget years.

Line Item – A specific expenditure category within a department budget. For example: supplies and materials, utilities or gasoline/diesel.

Maturities – The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

Non-dedicated Revenue – Revenue that can be used at the City’s discretion

Operating Expenses – The portion of the budget pertaining to the daily operations that provides basic governmental services. Expenditures such as supplies and materials, utilities and gasoline/diesel fuel are considered operating expenditures.



Operating Transfers – Authorized amounts transferred between funds in the city’s financial records that are not related to the provision of a specific service.

Performance Measures – Indicators that help define effective service delivery.

Personal Services – A category of expenditures which primarily covers wages, salaries, overtime and fringe benefit costs paid to or on behalf of City employees.

Personnel (FTE) – Full-time equivalents; the total count of full-time and part-time classified as well as temporary personnel in a department or sub-department. Part-time classified and temporary personnel are shown as a percentage of a full-time position.

Position – A group of duties and responsibilities, as prescribed by an office or agency, to be performed by a person on a full-time, part-time, or temporary basis.

Proposed Budget – The budget recommended for adoption by the City Manager to City Council.

Public Assistance Payments – Payments made to individuals or organizations providing goods or services for individuals in accordance with the requirements of the federal and state public assistance programs.

Proprietary Funds – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Real Property – Real estate, including land and improvements (buildings, fences, pavements, etc.) classified for purposes of assessment.

Regional Services Authority (RSA) – Established in 2008, the RSA serves the City of Lynchburg and Campbell County residents and businesses, as well as participating localities (the City of Bedford, Appomattox County, and Nelson County), that transfer solid waste to the regional landfill.

Reserve – These accounts contain funds that have been set-aside for a specific purpose or use.

Revenue – Government income including but not limited to taxes, permits, fees, licenses, fines, and grants, and also payments from other governmental entities.

Sewer Fund – Consists of the operating budget of the sewer and wastewater treatment programs of the City. Revenues from the operation, such as user fees finance this fund.

Special Revenue Funds – Governmental fund type used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Stadium Fund – Consists of revenue and expenditures for the baseball stadium including operating costs and debt service.

Tax Base – The aggregate value of the items being taxed. The base of the City’s real property tax is the assessed value of all real estate in the City.

Tax Rate – The level of taxation stated in terms of either a dollar amount (e.g., \$1.05 per \$100 assessed valuation), or a percentage of the value of the tax base (i.e., 5 percent sales tax).

Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

Water Fund – Consists of the operating budget of the water program of the City. This fund depends on the specific revenues generated by this operation, such as user fees or contracts to supply water to entities.



BUDGET CATEGORIES

Salaries - Compensation for direct labor of persons in the employment of the City. Salaries and wages paid to employees for full-time, part-time and temporary work, including overtime and automobile, clothing and tool allowances.

Employee Benefits - Employment related benefits provided to employees as part of their total compensation. Includes the following:

Group Life Insurance - Payments for both employer's and employees' portions of premiums for employees' life insurance coverage.

Virginia Retirement System - Payments for both the employer's and employees' portions of premiums for employees' retirement program.

Employer's FICA Contribution - Payments for employer's share of Social Security Program contribution.

Workers' Compensation Claims - Payments for authorized claims involving employees' work related injuries.

Group Hospitalization - Payments made for employer's share of insurance for full-time classified employees.

Unemployment Compensation - Payments for benefits related to unemployment claims.

Tuition Reimbursements - Payments to employees to assist with costs for college or other courses related to City work functions.

Contractual Services – Services acquired on a fee basis or a fixed time contract basis from outside sources (e.g., private vendors, public authorities or other governmental entities). Includes maintenance and repairs for City equipment; facilities and infrastructure; legal, architectural, environmental testing, medical, auditing and financial professional services; information technology services and software purchases; dietary, advertising, printing; and payments to the Economic Development Authority.

Internal Services – Charges to departments for services provided by Fleet Services.

Other Charges – This category includes various types of charges such as: supplies and materials items for the office including books, publications; fuel and natural gas; chemicals; parts; and items for buildings, grounds, traffic and computer related maintenance. Safety, law enforcement and laboratory items as well as food, laundry and medical items are included. Utilities, telecommunication charges; postage; insurance premiums and claims; travel and training; dues and memberships; inventory purchases; payments to other funds for services, rentals and leases; as well as contributions to other governmental, community and civic organizations are included.

Capital Outlay – Includes expenditures for the acquisition of fixed assets in excess of \$5,000 excluding land, buildings and infrastructure which are major capital expenditures. Includes equipment, furniture and fixtures, heavy equipment such as machinery and tools, computer and radio systems, and specific use equipment for public safety and human services.



FINANCIAL MANAGEMENT POLICIES

<i>Policy I Fund Balance</i>	Adopted August 10, 1999 Reaffirmed November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Reaffirmed December 12, 2006 Reaffirmed December 9, 2008
<i>Policy II Debt Management</i>	Adopted August 10, 1999 Reaffirmed November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008
<i>Policy III Budget</i>	Adopted November 14, 2000 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008
<i>Policy IV Investment</i>	Adopted September 25, 2001 Revised October 29, 2002 Reaffirmed September 28, 2004 Revised December 12, 2006 Revised December 9, 2008





BASIS FOR SOUND FINANCIAL MANAGEMENT POLICIES

The primary objective of sound financial management policies is for the City Council to create a framework within which financial decisions can be made. These policies are a statement of the guidelines and goals that influence and guide the financial management practices of the City of Lynchburg. Financial management policies that are adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. Sound financial management policies:

- Contribute significantly to the City’s ability to insulate itself from fiscal crisis and economic disruption.
- Enhance short-term and long-term financial credit ability by helping to achieve the highest credit and bond ratings possible.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the City rather than single-issue areas.
- Promote the view of linking long-term financial planning with day-to-day operations.
- Provide the City Council and citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.
- Ensure that the organization has sufficient resources to perform mandated responsibilities.
- Provide a foundation for evaluating financial analysis and condition.

FINANCIAL MANAGEMENT POLICIES

Policy I - Fund Balance

General Fund

- The City of Lynchburg’s Undesignated General Fund Balance will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the Undesignated General Fund Balance to finance recurring operating expenditures.
- The City will maintain an Undesignated General Fund Balance (UGFB) equal to 10% of General Fund revenues. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the Undesignated General Fund Balance to the minimum of 10% over five years.
- Funds in excess of the targeted 10% fund balance may be considered to supplement “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or as additions to fund balance.

Enterprise Funds

Water Fund

- Minimum ending fund balance shall not be less than 25% of total fund appropriations with a target balance of 40% of total fund appropriations.
- Funds in excess of the annual requirements may be considered for “pay-as-you-go” capital outlay expenditures, other non-recurring expenditures or funding of necessary reserves.
- A rate review will be conducted at least every two years.



Sewer Fund

- In accordance with the Virginia Department of Environmental Quality Special Order for the correction of the Combined Sewer Overflows, the maximum ending fund balance shall not exceed 25% of total fund appropriations; however, the City shall endeavor to maintain a fund balance as close to 25% as practicable.
- As provided by the Special Order, any excess funds will be directed to “pay-as-you-go” capital outlay expenditures.
- A rate review will be conducted at least every two years.

Policy II - Debt Management

Tax-Supported Debt

Tax-supported obligations are those that are expected to be repaid from the General Fund tax revenue of the City of Lynchburg. These include general obligation bonds (except self-supporting bonds) and capital leases. General obligation bonds issued for self-supporting enterprise funds are not included in calculations of tax-supported bonds.

- The City will not use long-term debt to fund current operations.
- The City will not use short-term borrowing to fund current operations.
- Whenever the City finds it necessary to issue tax-supported bonds, the following policy will be adhered to:
 1. The City will never borrow more than it has the capacity to repay.
 2. The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
 3. Annual debt service expenditures for tax-supported debt should not exceed 10% of total General Fund Expenditures plus School Component Unit Expenditures minus the General Fund Transfer to Schools..
 4. Total tax-supported debt will not exceed 4.50% of the net assessed valuation of taxable property in the City of Lynchburg.
 5. Total tax-supported debt per capita should be maintained at a reasonable level.
 6. The 10-Year Principal Payout Ratio shall not be less than 60% for Tax-Supported General Obligation Indebtedness.

Revenue-Supported Debt

Revenue-supported obligations are those for which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities (i.e. water, sewer). These are not considered tax-supported debt of the City. Whenever the City finds it necessary to issue revenue-supported bonds, the following guidelines will be adhered to:

1. The term of any revenue-supported bond issue will not exceed the useful life of the capital project/facility or equipment for which borrowing is intended.
2. Revenue-supported bonds will be structured to allow equal or declining annual debt service payments over a term not to exceed the life of the project being financed. For those revenue-supported bonds issued through the Virginia Revolving Loan Fund, annual debt service payments shall not exceed twenty years.
3. For any enterprise fund issuing revenue-supported bonds, net revenues available for debt service shall not be less than 1.2 times annual debt service for each fiscal year. Net revenues available for debt service will be calculated as operating income, plus depreciation and amortization and plus interest income. Debt service will include all debt service paid by the respective fund; however, the principal portion of any bond anticipation notes or other short-term financing should be excluded.



Refinancing of Debt

- The City shall issue refunding bonds to achieve debt service savings, eliminate onerous covenants or provisions in outstanding bond documents, or to respond to a financial emergency.
- The City shall continually monitor its outstanding debt to identify instances where the City may achieve savings through an advance refunding or current refunding transaction.
- The City shall receive a written refunding analysis indicating the amount of net present value savings from its financial advisor prior to selling bonds to refund any outstanding bonds.
- A refunding transaction to achieve debt service savings should only be undertaken when the net present value of the savings, net of issuance costs, will be at least 3% of the principal amount of the refunded bonds. Refunding transactions for revenue bonds can be structured so that savings are realized over the life of the refunding bonds or up-front, depending on the results of a cost-benefit analysis.

General Debt Policies

- The City will maintain communication with bond rating agencies to keep them abreast of its financial condition and will provide them with information on a timely basis including the City's *Comprehensive Annual Financial Report*, *Annual Adopted Budget* and *Capital Improvement Program*.
- The City shall comply with all of its undertakings in accordance with Securities and Exchange Commission Rule 15c2-12 and will follow the Government Finance Officers' Association and Securities and Exchange Commission requirements for continuing disclosure.
- The City may use the Virginia Public School Authority (VPSA) or State Literary Fund loans to finance school capital projects. City bonds sold to the VPSA and Literary Fund loans constitute general obligation debt of the City. City Council shall approve any application to the VPSA or the Department of Education for a Literary Fund loan. City Council shall approve the issuance of the bonds as required by the Public Finance Act. The School Board shall recommend such financings before a proposed financing is brought to City Council for approval.

Policy III - Budget

Principles

- Public participation in the budgetary process will be encouraged.
- The City will avoid dedicating revenue to a specific project or program because of the constraint this may place on flexibility in resource allocation except in instances where programs are expected to be self-sufficient or where revenue is dedicated to a program for statutory or policy reasons.
- The budget process will be coordinated in a way that major policy issues are identified for City Council several months prior to consideration of budget approval. This will allow adequate time for appropriate decisions and analysis of financial impacts.

Policies

- City Council shall adopt a balanced budget in accordance with all legal requirements.
- A structured budget preparation and formulation process shall be used for all departments and agencies receiving funding from the City.
- Departmental budgets shall be managed within the total appropriated budget for each fiscal year.
- All operating budget appropriations shall lapse at the end of the fiscal year to the extent that they are not expended or encumbered, with the exception of year-end carry-forward items approved by City Council.
- The budget shall be adopted by the favorable vote of a majority of members of City Council.
- The Vision and priorities established by City Council as well as the *Comprehensive Plan* will serve as the framework for the budget proposed by the City Manager.
- The fiscal year for the City is July 1 through June 30 as defined by the *City Code*, Section 18-1.
- One-time revenues shall be used for one-time expenditures only.



- A General Fund Reserve for Contingencies of \$1.2 million shall be used as a source of funding for unanticipated expenditures during the budget year. The Reserve for Contingencies is limited to one-time expenditures and shall not be considered a source for recurring financing.

Process

- The City Manager shall annually prepare a *Proposed Budget* for City Council review. The *Proposed Budget* shall serve as a financial plan for the upcoming fiscal year and shall contain the following information:
 1. A budget message that outlines the proposed revenue and expenditures for the upcoming fiscal year together with an explanation of any major changes from the previous fiscal year. The budget message should also include any proposals for major changes in financial policy.
 2. Charts indicating the major revenues and expenditures in each major fund (General, Water, Sewer, Airport) as well as changes in fund balance for all funds.
 3. Summaries of proposed expenditures by function, department and activity for all funds proposed to be expended in a fiscal year.
 4. A schedule of estimated requirements for the principal and interest of each bond issue.
 5. A three-year history of revenues and expenditures to include the prior year actual, current year adopted, amended, and proposed budgets for each major fund.
 6. The proposed budget appropriation ordinance, including the tax levy.
- The City Council shall hold a public hearing on the budget submitted by the City Manager and all interested citizens shall be given an opportunity to be heard on issues related to the proposed budget, including the *Capital Improvement Program*.
- Following the public hearing on the *Proposed Budget*, City Council may make adjustments. In instances where City Council increases the total proposed expenditures, it shall also identify a source of funding at least equal to the proposed expenditures.

Capital Improvement Program

- A five-year *Capital Improvement Program (CIP)* that serves as the basis for annual capital appropriations and debt financing requirements shall be prepared and updated annually.
- The *CIP* shall include descriptions, timeline, cost estimates, and a schedule of expected expenditures for each project.
- Debt service requirements and funding needs for schools and City government shall be determined based on the *Adopted CIP*.
- Long-term borrowing shall be confined to major capital improvements and equipment purchases.
- Short-term borrowing shall be limited to bond anticipation notes and equipment leasing, where feasible, with a life of less than 8 years.
- Capital project appropriations shall lapse upon project completion, allowing for an adequate warranty period. Lapsed appropriations shall remain in the Capital Fund for reallocation to other projects.
- Incremental operating costs associated with capital projects shall be funded in the operating budget after being identified and approved in the Capital Improvement Program.
- Pay-as-you-go funding shall not be less than 10% with a goal of 15% as a percentage of the City's 5-Year CIP.

Quarterly Financial Reporting

The City Manager will present to the City Council's Finance Committee (with copies to the remainder of Council) quarterly financial reports identifying meaningful trends in revenues and expenditures for the General, Water and Sewer, Airport, Stadium, Comprehensive Services Act, and Juvenile Detention Funds.

Third Quarter Review

In mid-March, City staff will evaluate all expenditures and revenues as compared to budget and make recommendations to City Council regarding possible adjustments. Section 15.2-2507 of the *Code of Virginia* requires that a public hearing be held prior to City Council action when the potential increases in the appropriation exceed one percent of the total expenditures shown in the currently adopted budget.



Policy IV - Investment

I. Policy Statement

It is the policy of The City of Lynchburg, Virginia (“the City”) that the investment and administration of its funds be made in accordance with the Code of Virginia Investment of Public Funds Act, the applicable provisions of any outstanding bond indebtedness, and this policy. The City shall be in complete compliance with all applicable federal, state and local laws, and other regulations and statutes governing the investment of public funds. Within those parameters, the goal of this policy is to achieve the highest rate of return that is reasonable. The City will establish an Investment Committee consisting of the City Manager, Deputy City Manager, and Director of Financial Services. This Committee will provide broad policy oversight over investments. This policy will be reviewed on an annual basis. Any changes must be approved by the Investment Committee and be reaffirmed by City Council. See Appendix 1 for a Glossary of Investment Terms.

II. Scope

This policy applies to the investment of all the financial assets and funds held by the City. Specific requirements or limitations imposed upon the investment of Bond Proceeds, Debt Service Funds and Debt Service Reserve Funds are located in Section X of this Policy. These Funds are accounted for in the City of Lynchburg’s Comprehensive Annual Financial Report and include the General, Special Revenue, Capital Projects, and Proprietary Funds.

III. Objectives

Funds shall be invested in only those investments permitted by Federal, State and local law as it relates to public funds, as well as any contractual agreements entered into by the City.

All of the City’s funds, regardless of term, shall be invested with the following objectives listed in the order of priority:

1. *Safety* - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. Specifically, the City will:
 - a. seek to avoid realizing any loss through the sale or disposal of an investment; and
 - b. seek to mitigate the risk of unrealized losses due to a decline in value of investments held in the portfolio.
2. *Liquidity* - The investment portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio in the following manner:
 - a. The City will purchase investments scheduled to mature in accordance with its anticipated cash needs, in order to minimize the need to sell investments prior to maturity;
 - b. A portion of City Funds will be maintained in cash equivalents, including money market funds, investment pools and overnight securities, which may be easily liquidated without a loss of principal should an unexpected need for cash arise; and
 - c. The portfolio will consist largely of investments with active secondary markets.
3. *Yield* - The City’s investment portfolio shall be designed with the objective of maximizing a fair rate of return consistent with the investment risk constraints and cash flow characteristics of the portfolio. The Investment Committee shall establish suitable benchmarks for the measurement of the portfolio’s return.

IV. Delegation of Authority

Under the guidance of the Investment Committee, the City’s Director of Financial Services is the official charged with collecting, safeguarding and disbursing City funds. In this capacity, and with consensus from the Investment



Committee, the Director of Financial Services is responsible for establishing staff roles and responsibilities, considering the quality and capability of staff, selecting investment advisors and consultants involved in investment management, and developing and maintaining appropriate administrative procedures for the operation of the investment program. Examples of key staff roles and responsibilities include, but are not limited to, solicitation of investment offerings, placement of purchase and sell orders, confirmation of trades, and preparation of reports and other activities as required for the daily operations of the investment area. The Director of Financial Services is also charged with developing written standard Investment procedures and an asset allocation plan consistent with this policy. Such procedures shall be reviewed and approved by the Investment Committee. Subject to the approval of the Investment Committee and City Council, the Director of Financial Services may employ financial consultants on a contractual basis to assist in the development and implementation of investment procedures and policies, to monitor the effectiveness and continued compliance with such policies and procedures, and to provide guidance in investment matters.

V. Standards of Care

The standard of prudence to be used by investment personnel shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. The “prudent person” standard states:

“Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The Director of Financial Services, and those delegated investment authority under this Policy, when acting in accordance with written procedures and this Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

VI. Ethics and Conflicts of Interest

Officers and employees of the City involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Office of the Clerk of Council any material interests in financial institutions with which they conduct business and any personal investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. Officers and employees are required to abide by the provisions of the Virginia Conflict of Interests Act. The Act prohibits City officers and employees from seeking or accepting money or any other thing of value for the performance of their duties, using confidential information for their own benefit and having a personal interest in a company with which the City is doing business. “Officer” means any person appointed or elected to the City’s government whether or not he/she receives compensation or other emolument of office. “Employee” means all persons employed by the City.

VII. Collateral and Safekeeping Arrangements

The City’s investments shall be held in safekeeping by a third party and evidenced by safekeeping receipts. As required by Virginia Code, all security holdings with maturities over 30 days may not be held in safekeeping with the “counterparty” to the investment transaction. The Code refers to a counterparty as the issuer or seller of the security and any repurchase agreement provider. All securities purchased or sold will be transferred when possible only under “delivery vs. payment method” to ensure that funds or securities are not released until all criteria relating to the specific transaction are met.

VIII. Competitive Selection of Investment Instruments

It is desirable to select investments on a competitive basis when possible to ensure that the City receives the best price available on a particular investment and avoids paying excessive fees, mark-ups or other compensation to the provider. A list will be maintained of approved financial institutions and security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operations). These



may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified for investment transactions will supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Certification of having read and understood and agreeing to comply with the City of Lynchburg Investment Policy

Under the guidance and oversight of the Investment Committee, the Director of Financial Services shall adhere to the following procedures, with assistance from the City’s Investment Advisor where appropriate, when funds become available for investment to the extent practical:

1. The Director of Financial Services shall determine the class of investment and maturity range most appropriate for investment of the funds available, based upon the anticipated expenditure schedule of the City, the desired asset allocation of the City’s portfolio and the City’s Investment Plan.
2. Offers will be solicited for the selected investment from the list of pre-approved providers as noted above.
3. The Director of Financial Services will accept the offer (or bid, if the City is selling an investment) which provides the highest rate of return or which is otherwise deemed most suitable while complying with this Policy and any other criteria specified in the solicitation of offers.

The City shall retain a record of the offers received, the instruments chosen, and the rationale for making the decision.

From time to time, certain investment dealers may present the City with offers that are attractive for investment. Although the City should endeavor to verify (and document) that the price is “fair,” it may occasionally purchase such a security without a competitive process if the investment is for \$500,000 or less.

Additionally, a competitive process shall not be required for the investment of funds in money market funds, investment pools and overnight securities. However, it shall be the responsibility of the Director of Financial Services to be aware of the yields being offered by various highly liquid investments, and to invest the City’s overnight funds in the vehicle(s) which provide a competitive return to the City while complying with this policy and any other criteria established by the Investment Committee or City Council.

IX. Suitable and Authorized Investments – Without Exception, Only the Following Investments Are Suitable and Authorized

1. Treasury Securities

Bonds, Notes and Bills issued by the United States Treasury or certificates representing ownership of treasury bond principal or coupons.

2. Agency Securities (FHLB, FNMA, FFCB, FHLMC, GNMA)

Obligations issued and guaranteed as to principal and interest by the Federal Home Loan Bank, the Federal National Mortgage Association, the Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, or the Government National Mortgage Association, maturing within five years of the date of purchase.

3. Prime Commercial Paper

Commercial Paper maturing within 270 days of the day of purchase rated P-1 or higher by Moody’s and A-1 or higher by Standard & Poor’s, provided that the issuing domestic corporation has a net worth of \$50 million and its long-term debt is rated A or better by Moody’s and Standard & Poor’s.



4. Certificates of Deposit

Certificates of Deposit maturing within one year and issued by domestic banks rated P-1 by Moody's and A-1 by Standard & Poor's.

5. Banker's Acceptances

Banker's Acceptances maturing within 180 days rated P-1 or higher by Moody's and A-1 or higher by Standard & Poor's, provided the issuer is a major domestic bank or the domestic office of an international bank rated AA or higher by Moody's and Standard & Poor's.

6. Commonwealth of Virginia and Virginia Local Government Obligations

General Obligations, Insured Obligations or Revenue Bonds secured by Debt Service Reserve Funds not subject to annual appropriation rated AA or higher by Moody's or Standard & Poor's.

7. Repurchase Agreements

Repurchase Agreements collateralized by securities approved for investment herein, provided that the counterparty is rate A or better by Moody's and Standard & Poor's and the collateral is held by an independent third party. All Repurchase Agreements are purchased with a Master Repurchase Agreement in place with a third-party custodian.

8. Open-End Investment Funds

Open-end Investment Funds registered under the Securities Act of the Commonwealth or the Federal Investment Company Act of 1940, provided that they invest only in securities approved for investment herein.

9. Virginia Local Government Investment Pool

10. Virginia State Non-Arbitrage Program or Other Authorized Arbitrage Investment Management Programs

X. Suitable and Authorized Investments – Restricted Funds

Funds defined as sinking funds under the Virginia Code may be invested in items listed in Section IX.1 and IX.6 above, repurchase agreements collateralized by those investments, and in the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs.

XI. Internal Controls

Under the guidance of the Investment Committee, the Director of Financial Services will establish and maintain an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure will be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The Internal Audit Department shall add this Policy and related Procedures to their Audit Universe for audit consideration. The internal control structure will address the following points:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping
- Avoidance of physical delivery of securities
- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian

XII. Reporting

Under the guidance of the Investment Committee, the Director of Financial Services will ensure that a Management Report will be prepared on a quarterly basis. The information from this Report may be derived from the Investment Advisor and/or the Safekeeping Agent, or both, where appropriate. This Report will include information that provides an analysis of the status of the current investment portfolio and whether investment activities during the reporting



period have conformed to the investment policy herein. The Report will be presented to City Council for information and comment. To the extent practical, the report detail may include such items as the following:

- Listing of securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation
- Average weighted yield to maturity of portfolio on investments compared to benchmarks
- Listing of investment by maturity type
- Percentage of the total portfolio which each type of investment represents

XIII. Diversification

The City will endeavor to diversify its investment portfolio to avoid incurring unreasonable risks regarding (i) security type, (ii) individual financial institution or issuing entity, and (iii) maturity. Target asset allocation strategies shall be developed by the Investment Committee to provide guidance as to appropriate levels of diversification. With the exception of U. S. Treasury securities and authorized pools, no more than 50% of the City's total investment will be the obligations of a single financial institution.

XIV. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one year from the date of purchase.



Appendix 1: Glossary of Investment Terms

Accrued Interest – The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Amortization – The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Average Life – The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

Basis Point – A unit of measurement used in the valuation of fixed -income securities equal to 1/100 of 1 percent of yield, e.g., “one-quarter” of 1 percent is equal to 25 basis points.

Bid – The indicated price at which a buyer is willing to purchase a security or commodity.

Book Value – The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security’s current value in the market.

Callable Bond – A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Call Price – The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond’s original issue price to compensate the holder for loss of income and ownership.

Call Risk – The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase – A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Collateralization – Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

Commercial Paper – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Convexity – A measure of a bond’s price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond’s price to interest rate changes.

Coupon Rate – The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the “interest rate.”

Credit Quality – The measurement of the financial strength of a bond issuer to help an investor to understand an issuer’s ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current Yield (Current Return) – A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) – A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

Discount – The amount by which the par value of a security exceeds the price paid for the security.

Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating.



Duration – A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value – The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate – Interest rate charged by one institution lending federal funds to the other.

Government Securities – An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market See “Treasury Bills, Notes, and Bonds.”

Interest Rate – See “Coupon Rate.”

Interest Rate Risk – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

Internal Controls – An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers -Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third-party custodian – The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

Inverted Yield Curve – A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Company Act of 1940 – Federal legislation which sets the standards by which investment such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.



Investment Policy – A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Liquidity – An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) – An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market – The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market risk – The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value – Current market price of a security.

Maturity – The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See ‘Weighted Average Maturity.’”

Money Market Mutual Fund – Mutual funds that invest, solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers’ acceptances, repos and federal funds).

Mutual Fund – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund’s holdings, performance, management and general investment policy.
3. Have the fund’s investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund’s shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

Mutual Fund Statistical Services – Companies that track and rate mutual funds, e.g., IBC/Donoghue, Lipper Analytical Services, and Morningstar.

National Association of Securities Dealers (NASD) – A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value – The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund’s assets which includes securities, cash, and any accrued earnings, subtracting this from the fund’s liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund’s portfolio. (See below.) $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

No Load Fund – A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield – The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the “coupon,” “coupon rate,” or “interest rate.”

Offer – An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the “Ask price.”



Par – Face value or principal value of a bond, typically \$1,000 per bond.

Positive Yield Curve – A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium – The amount by which the price paid for a security exceeds the security's par value.

Prime Rate – A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal – The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus – A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

Prudent Person Rule – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Regular Way Delivery – Securities settlement that calls for delivery and payment on the third business day following the trade date (T+3); payment on a T+1 basis is currently under consideration. Mutual funds are settled on a same day basis; government securities are settled on the next business day.

Reinvestment Risk – The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

Repurchase Agreement (repo or RP) – An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) – An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Rule 2a-7 of the Investment Company Act – Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Safekeeping – Holding of assets (e.g., securities) by a financial institution.

Serial Bond – A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking fund – Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Swap – Trading one asset for another.

Term Bond – Bonds comprising a large part or all of a particular issue which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Total Return – The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

Treasury Bills – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes – Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.



Treasury Bonds – Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule – SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Volatility – A degree of fluctuation in the price and valuation of securities.

“Volatility Risk” Rating – A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bonds funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns (“AAA” by S&P; “V- 1” by Fitch) to those that are highly sensitive with currently identifiable market volatility risk (“CCC”- S&P, “V-10” by Fitch).

Weighted Average Maturity (WAM) – The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

When Issued (WI) – A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

Yield – The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield-to-call (YTC) – The rate of return an investor earns on a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield Curve – A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

Yield-to-maturity – The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities – Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.



MISCELLANEOUS STATISTICS

June 30, 2009

Date of Incorporation	1805
Date of Independent City Status.....	1852
2009 Provisional City Population.....	72,596
Metropolitan Statistical Area Population	214,911
Composition of Population	
White.....	66.00%
Black	29.70%
Other.....	4.30%
Median Household Income, 2 Person Family.....	\$40,396
Form of Government.....	Council-Manager
Number of Employees – All Funds (excluding Police and Fire):	
Full and Part-Time FTE.....	857.65
Seasonal and Non-Seasonal Wage FTE.....	81.76
City of Lynchburg Facilities and Services:	
Miles of Streets.....	377
Number of Street Lights	9,990
Number of Traffic Signals.....	119
Culture and Recreation:	
Community Centers.....	7
Senior Centers	1
Parks	17
Park acreage	905
Swimming Pools.....	1
Tennis Courts	40
Gymnasiums	7
Fire and Emergency Medical Services (EMS):	
Number of Stations.....	8
Number of Fire Personnel and Officers.....	186
Number of Calls Answered ⁽³⁾	506
Number of Inspections Conducted	641
Number of EMS Calls	15,279
Police protection:	
Number of Stations.....	1
Number of Police Personnel and Officers	239
Number of Patrol Units	57
Number of Law Violations:	
Physical Arrests.....	6,662
Traffic Violations	14,489
Parking Violations	6,370
Sewage System:	
Number of Service Connections.....	18,549
Daily Average Treatment in Gallons	11 million
Maximum Daily Capacity of Treatment Plant in Gallons	44 million
Water System:	
Number of Service Connections.....	22,290
Number of Fire Hydrants.....	2,892
Daily Average Consumption in Gallons.....	11 million
Maximum Daily Capacity of Plant in Gallons.....	26 million
Education:	
Number of Elementary Schools.....	11
Number of Secondary Schools	5
Number of Teachers and Administrators.....	780
Number of Community Colleges.....	1
Number of Universities	4
Facilities and Service not included in the Reporting Entity:	
Hospitals:	
Number of Hospitals.....	2
Number of Patient Beds.....	575

Source: Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2009



PRINCIPAL PROPERTY TAXPAYERS IN 2009

Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Verizon Va, Inc.	Utility	\$ 60,669,986	1	1.13 %
AEP	Utility	58,174,545	2	1.08
Areva NP Inc.	Nuclear Power Design & Fuel Fabrication	58,057,605	3	1.08
R R Donnelley Printing Co.	Periodical Publication Printing	51,386,077	4	0.95
River Ridge, Ltd.	Shopping Mall	50,000,000	5	0.93
Frito Lay, Inc.	Food Manufacturer	41,278,265	6	0.77
Genworth Financial, Inc.	Life Insurance	36,847,017	7	0.68
J D N Realty Corporation, Inc.	Real Estate Company	20,950,100	8	0.39
Bostic Development at Lynchburg, LLC	Real Estate Company	20,233,400	9	0.38
CCRC, Inc.	Nursing Home/Assisted Living	18,466,900	10	0.34
Total		\$ 416,063,895		7.73 %
Total Assessed Valuation:		\$ 5,382,586,170		

DEMOGRAPHIC AND ECONOMIC STATISTICS, LAST TEN CALENDAR YEARS

Fiscal Year	Population¹	Personal Income (thousands of dollars)²	Per Capita Personal Income³	Median Age⁴	School Enrollment⁵	Unemployment Rate⁶
2000	65,269	1,604,247	24,578	35.1	9,296	2.1
2001	65,400	1,646,576	25,484	35.1	9,212	4.5
2002	65,800	1,672,768	25,930	35.1	9,063	6.2
2003	66,400	1,739,215	26,400	35.1	8,955	6.1
2004	67,100	1,804,990	27,532	35.1	8,775	5.6
2005	67,756	1,871,827	28,537	35.1	8,620	5.2
2006	68,579	2,078,629	30,310	35.1	8,614	4.0
2007	70,056	2,175,589	31,055	35.1	8,622	4.3
2008	70,734	2,253,727	31,862	35.1	8,414	5.6
2009	70,734	*	*	35.1	8,655	9.2

Source: Director of Financial Services, City of Lynchburg, Virginia.

¹ Weldon Cooper Center for Public Service, University of Virginia www.coopercenter.org

Figures given are the final estimate for that year. Since the estimate for the current fiscal year is not available at this time, the prior year data is given.

² U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis

³ U.S. Department of Commerce, Economic and Statistic Administration, Bureau of Economic Analysis
Report AMSA04 - Advanced Metropolitan Statistical Area Income Summary www.bea.gov/regional/reis/

⁴ United States Census - 2000

⁵ Virginia Department of Education reported by Lynchburg City Schools. Enrollment as of September 30 for each year presented. These figures were previously reported based on preliminary information provided by Lynchburg City Schools and have been updated with the information available from the Virginia Department of Education. The figures given are as of September 30 of the prior year.

⁶ Virginia Employment Commission & U.S. Department of Labor, Bureau of Labor Statistics, as of June 2009.

* FY 2009 information unavailable



PRINCIPAL EMPLOYERS ,
CURRENT YEAR AND NINE YEARS AGO

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Centra Health, Inc.	5,700	1	15.93%	3,800	1	12.27%
Thomas Road Baptist Church, Liberty University	3,321	2	9.28%	1,000	9	3.23%
Areva ²	2,046	3	5.72%	1,400	7	4.52%
Genworth Financial Inc. ¹	1,600	4	4.47%	1,554	6	5.02%
City of Lynchburg	1,521	5	4.25%	1,150	8	3.71%
Lynchburg City Schools	1,410	6	3.94%	1,607	3	5.19%
J. Crew Outfitters	1,000	7	2.80%	1,000	10	3.23%
Lynchburg College	598	8	1.67%			0.00%
Kroger	562	9	1.57%			0.00%
Walmart	545	10	1.52%			0.00%
BWX Technologies			0.00%	1,940	2	6.26%
Central Virginia Training Center			0.00%	1,600	4	5.17%
Sanmina ³			0.00%	1,600	5	5.17%
Total	18,303			16,651		

Employed Civilian Labor Force (June 2009) Lynchburg City - Virginia Employment Commission 35,773
Employed Civilian Labor Force (June 2000) Lynchburg City - Virginia Employment Commission 30,966

Source: FY 2009 numbers are derived from Office of Economic Development,
City of Lynchburg, Virginia as of March 31, 2009.

Source: FY 2000 numbers are derived from Official Statement for bond issue August 1, 2001.

¹ Formerly First Colony Life Insurance Co.

² Formerly Framatome

³ Formerly Ericsson



Identification of Acronyms

ALS	Advanced Life Support	J & DR	Juvenile and Domestic Relations (District Court)
AMR	Automated Meter Reading	JAG	Justice Assistance Grant
APA	Auditor of Public Accounts	LEAF	Lynchburg Expressway Appearance Fund
ARRA	American Recovery and Reinvestment Act	LEDA	Lynchburg Economic Development Authority
BABs	Build America Bonds	LRHA	Lynchburg Redevelopment and Housing Authority
BJA	Byrne Justice Assistance	LWIA	Local Workforce Investment Area
BLS	Basic Life Support	MHI	Median Household Income
CAFR	Comprehensive Annual Financial Report	MPO	Metropolitan Planning Organization
CCL	Citizens for a Clean Lynchburg	MSA	Metropolitan Statistical Area
CDAC	Community Development Advisory Committee	NADA	National Automobile Dealers Association
CDBG	Community Development Block Grant	OPEB	Other Post-Employment Benefits
CIP	Capital Improvement Program	OSHA	Occupational Safety and Health Administration
CPM	Center for Performance Measurement	PDC	Planning District Commission
CPMT	Community Policy Management Team	PIER	Partners in Emergency Response
CSA	Comprehensive Services Act	PPTRA	Personal Property Tax Relief Act
CSI	Cost Savings Initiative	PSAP	Public Safety Answering Point
CVRCB	Central Virginia Radio Communications Board	RIF	Reduction In Force
CY	Calendar Year	RLE	Required Local Effort
DARE	Drug Abuse Resistance Education	RSA	Regional Services Authority
DEQ	Department of Environmental Quality (Virginia)	SOQ	Standards of Quality
DHCD	Department of Housing and Community Development (Virginia)	SUV	Sport Utility Vehicle
DMV	Department of Motor Vehicles	TANF	Temporary Assistance for Needy Families
DOE	Department of Education (U. S.)	TRT	Technical Rescue Team
DOE	Department of Energy (U. S.)	TY	Tax Year
EDA	Economic Development Authority	USDA	U. S. Department of Agriculture
EECBG	Energy Efficiency and Conservation Block Grant	VAWA	Violence Against Women Act
EMS	Emergency Medical Services	VFC	Virginia First Cities
EPA	Environmental Protection Agency (U. S.)	VML	Virginia Municipal League
EZ	Enterprise Zone	VRS	Virginia Retirement System
FAPT	Family and Planning Assessment Team	WIA	Workforce Investment Act
FTE	Full-time equivalents	WWTP	Wastewater Treatment Plant
FY	Fiscal Year		
GAAP	General Accepted Accounting Principles		
GASB	Governmental Accounting Standards Board		
GFOA	Government Finance Officers Association		
GIS	Geographic Information System		
GLTC	Greater Lynchburg Transit Company		
HUD	Department of Housing and Urban Development (U. S.)		
ICMA	International City/County Management Association		



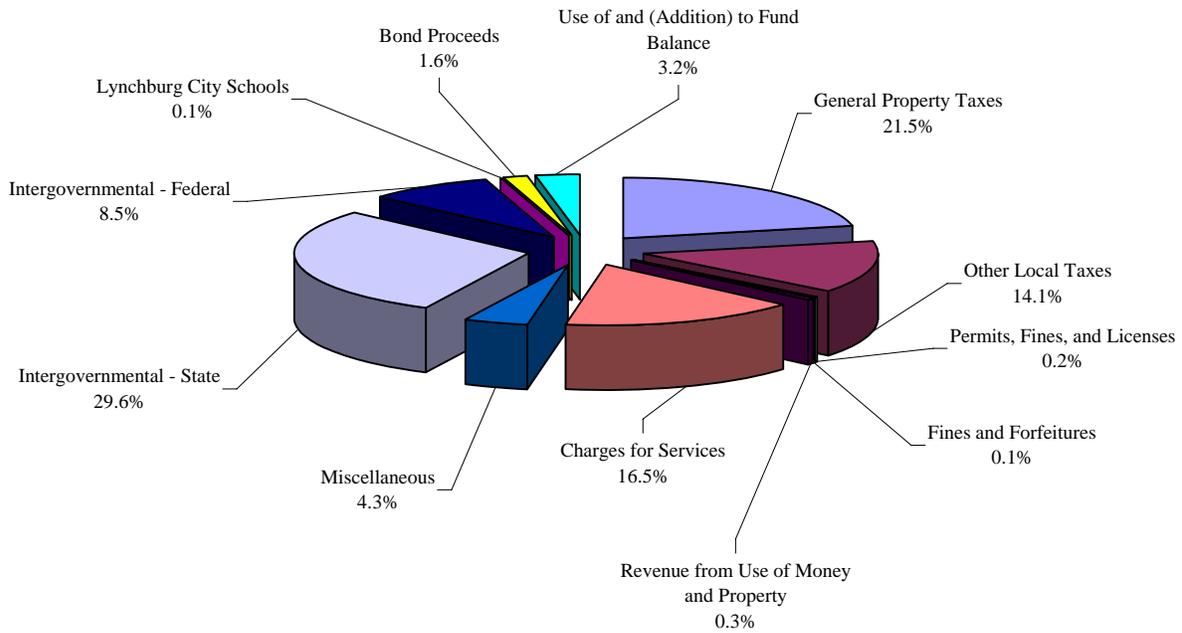
SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES

	Actual 2009	Adopted 2010	Adopted 2011
ALL FUNDS			
BEGINNING FUNDS	\$83,636,472	\$64,635,011	\$62,062,242
REVENUES			
General Property Taxes	\$65,093,469	\$65,288,389	\$67,612,906
Other Local Taxes	45,236,544	43,676,385	44,207,320
Permits, Fines, and Licenses	649,949	645,190	614,100
Fines and Forfeitures	527,892	570,000	470,000
Revenue from Use of Money and Property	2,940,478	1,212,679	1,027,812
Charges for Services	48,389,104	51,023,353	51,893,440
Miscellaneous	12,890,186	10,287,110	13,625,716
Intergovernmental - State	40,813,714	109,225,999	92,935,466
Intergovernmental - Federal	12,339,605	18,336,957	26,661,383
Lynchburg City Schools (Governor's School/Lottery Proceeds)	578,200	621,022	31,022
Bond Proceeds	6,156,611	3,738,249	5,137,100
Operating Transfers In	65,986,953	43,473,892	47,358,400
Use of and (Addition) to Fund Balance	34,766,686	2,606,440	9,818,326
TOTAL REVENUES	\$336,369,391	\$350,705,665	\$361,392,991
Less Interfund Transfers	(65,986,953)	(43,473,892)	(47,358,400)
TOTAL REVENUES NET OF TRANSFERS	\$270,382,438	\$307,231,773	\$314,034,591
TOTAL AVAILABLE RESOURCES NET OF TRANSFERS	\$354,018,910	\$371,866,784	\$376,096,833
EXPENDITURES			
General Government Administration	\$27,237,564	\$18,172,246	\$25,949,543
Judicial	11,483,550	5,459,685	5,390,703
Public Safety	34,607,238	35,135,060	34,547,113
Public Works	26,647,031	28,230,016	26,325,804
Health and Human Services	22,401,263	21,068,969	21,947,189
Cultural and Recreational	7,476,464	7,324,689	7,758,024
Community Development	9,193,842	7,785,598	3,861,497
Education	48,444,671	92,991,629	85,347,890
Debt Service	23,791,954	27,188,933	28,458,923
Interfund Transfers	65,986,953	43,371,651	47,358,400
Sanitation	39,284,720	43,506,749	53,789,275
Airport	2,057,738	3,449,696	4,494,892
Transit	6,757,242	7,198,359	6,527,524
Other Uses	10,999,161	9,822,385	9,636,214
TOTAL EXPENDITURES	\$336,369,391	\$350,705,665	\$361,392,991
Less Interfund Transfers	(65,986,953)	(43,371,651)	(47,358,400)
TOTAL EXPENDITURES NET OF TRANSFERS	\$270,382,438	\$307,334,014	\$314,034,591
ENDING FUND BALANCES	\$83,636,472	\$64,532,770	\$62,062,242
TOTAL EXPENDITURES AND FUND BALANCES NET OF TRANSFERS	\$354,018,910	\$371,866,784	\$376,096,833

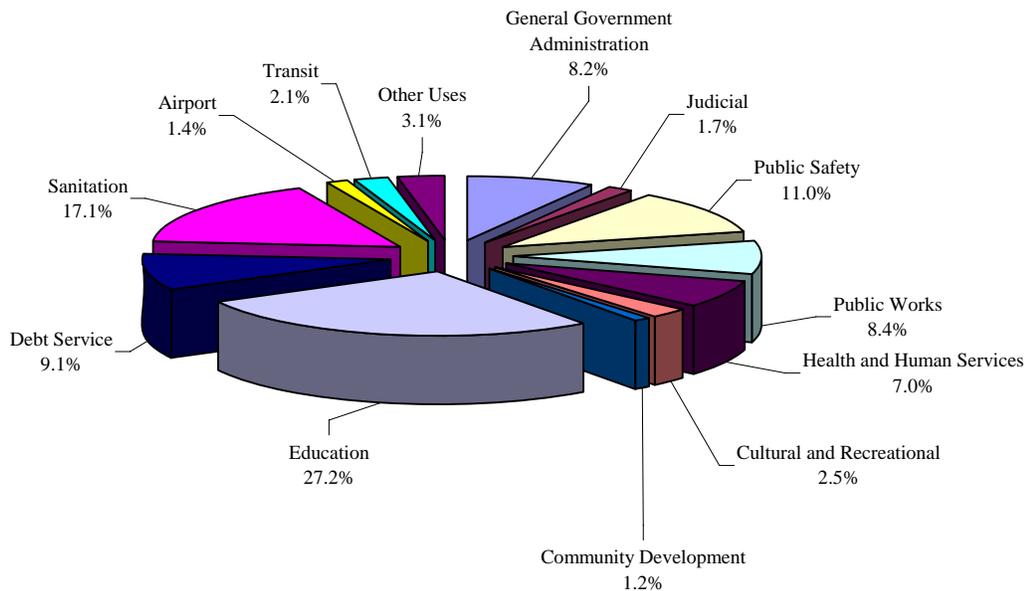


SUMMARY OF ALL FUNDS BY REVENUES AND EXPENDITURES (CONTINUED)

REVENUES - ALL FUNDS
\$314,034,591



EXPENDITURES - ALL FUNDS
\$314,034,591





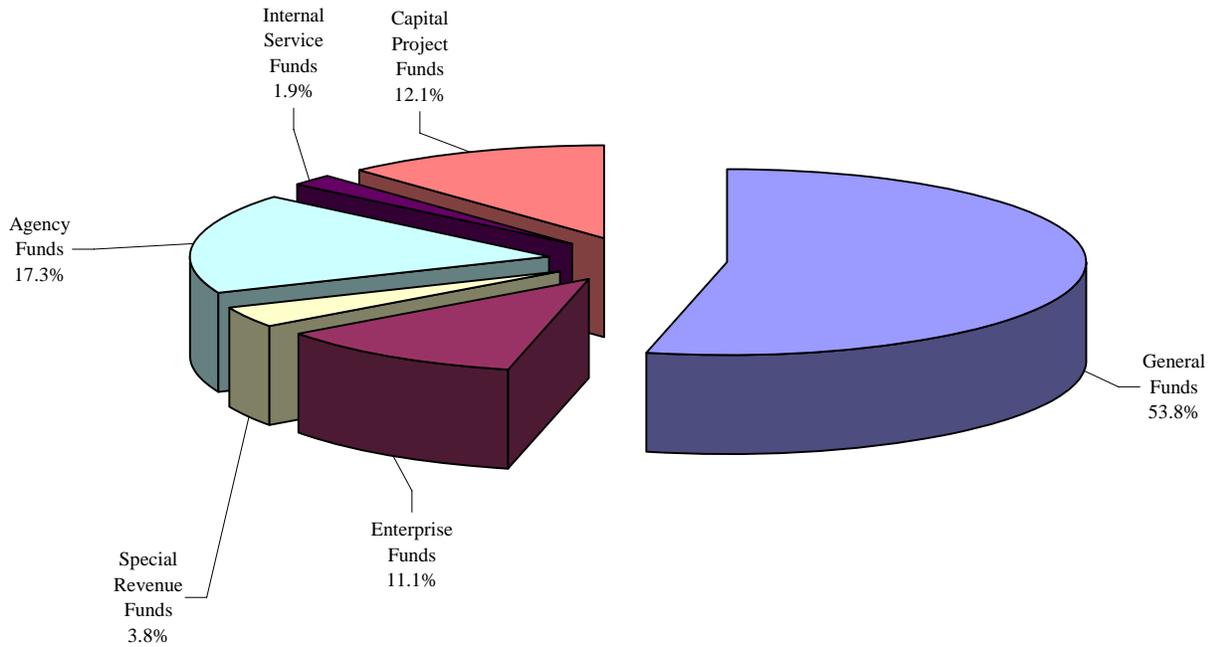
SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE

	General Funds	Enterprise Funds	Special Revenue Funds	Agency Funds	Internal Service Funds	Capital Project Funds	Grand Total
BUDGET SUMMARY BY FUND TYPE FOR FISCAL YEAR 2011							
BEGINNING FUNDS	\$25,896,712	\$32,912,272	\$2,162,021	\$337,232	\$754,005	\$0	\$62,062,242
REVENUES							
General Property Taxes	\$67,612,906	\$0	\$0	\$0	\$0	\$0	\$67,612,906
Other Local Taxes	44,171,320	0	36,000	0	0	0	44,207,320
Permits, Fines, and Licenses	614,100	0	0	0	0	0	614,100
Fines and Forfeitures	470,000	0	0	0	0	0	470,000
Revenue from Use of Money and Property	601,812	404,000	20,000	2,000	0	0	1,027,812
Charges for Services	8,669,088	33,949,320	3,327,662	736,101	5,211,269	0	51,893,440
Miscellaneous	3,819,121	32,000	268,570	9,186,025	150,000	170,000	13,625,716
Intergovernmental - State	25,938,897	178,000	5,358,131	41,815,420	0	19,645,018	92,935,466
Intergovernmental - Federal	8,364,203	118,415	2,987,245	2,627,383	0	12,564,137	26,661,383
Lynchburg City Schools (Gov. School/Lottery Proceeds) ¹	31,022	0	0	0	0	0	31,022
Bond Proceeds	0	0	0	0	0	5,137,100	5,137,100
Operating Transfers In	1,128,884	271,120	2,515,679	31,942,103	0	11,500,614	47,358,400
Use of Fund Balance	8,461,066	269,722	84,205	92,539	601,617	309,177	9,818,326
TOTAL REVENUES	\$169,882,419	\$35,222,577	\$14,597,492	\$86,401,571	\$5,962,886	\$49,326,046	\$361,392,991
Less Interfund Transfers	(1,128,884)	(271,120)	(2,515,679)	(31,942,103)	0	(11,500,614)	(47,358,400)
TOTAL REVENUES NET OF TRANSFERS	\$168,753,535	\$34,951,457	\$12,081,813	\$54,459,468	\$5,962,886	\$37,825,432	\$314,034,591
TOTAL AVAILABLE RESOURCES NET OF TRANSFERS	\$194,650,247	\$67,863,729	\$14,243,834	\$54,796,700	\$6,716,891	\$37,825,432	\$376,096,833
EXPENDITURES							
General Government Administration	\$19,500,235	\$0	\$890,600	\$0	\$5,558,708	\$0	\$25,949,543
Judicial	4,417,018	0	973,685	0	0	0	5,390,703
Public Safety	30,867,729	0	2,861,494	817,890	0	0	34,547,113
Public Works	15,743,335	0	0	0	0	10,582,469	26,325,804
Health and Human Services	15,670,043	0	6,237,896	39,250	0	0	21,947,189
Cultural and Recreational	5,193,346	0	1,611,678	0	0	953,000	7,758,024
Community Development	2,353,780	0	1,507,717	0	0	0	3,861,497
Education	0	0	0	85,347,890	0	0	85,347,890
Debt Service	16,022,498	11,528,987	503,260	0	404,178	0	28,458,923
Interfund Transfers	43,961,859	3,200,000	0	196,541	0	0	47,358,400
Sanitation	0	18,353,698	0	0	0	35,435,577	53,789,275
Airport	0	2,139,892	0	0	0	2,355,000	4,494,892
Transit	6,527,524	0	0	0	0	0	6,527,524
Other Uses	9,625,052	0	11,162	0	0	0	9,636,214
TOTAL EXPENDITURES	\$169,882,419	\$35,222,577	\$14,597,492	\$86,401,571	\$5,962,886	\$49,326,046	\$361,392,991
Less Interfund Transfers	(43,961,859)	(3,200,000)	0	(196,541)	0	0	(47,358,400)
TOTAL EXPENDITURES NET OF TRANSFERS	\$125,920,560	\$32,022,577	\$14,597,492	\$86,205,030	\$5,962,886	\$49,326,046	\$314,034,591
ENDING FUND BALANCES	25,896,712	32,912,272	2,162,021	337,232	754,005	0	62,062,242
TOTAL EXPENDITURES AND FUND BALANCES NET OF TRANSFERS	\$151,817,272	\$64,934,849	\$16,759,513	\$86,542,262	\$6,716,891	\$49,326,046	\$376,096,833

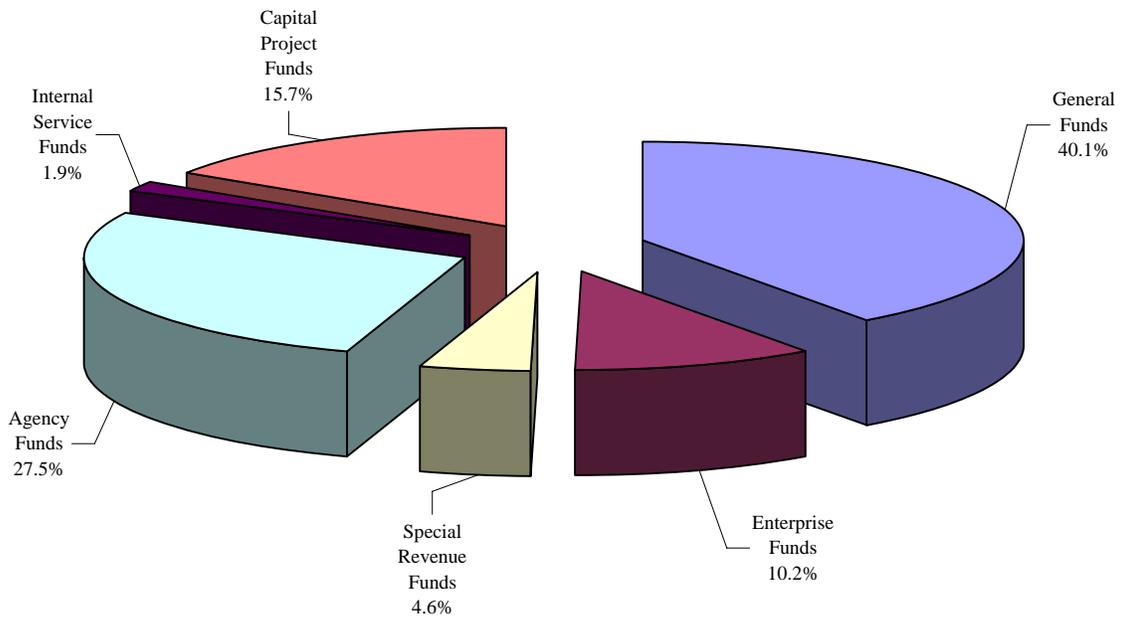


SUMMARY OF REVENUES AND EXPENDITURES BY FUND TYPE (CONTINUED)

REVENUES BY FUND TYPE
\$314,034,591



EXPENDITURES BY FUND TYPE
\$314,034,591





Personnel Summary

FY 2011 Benefit Rates: Retirement – 23.14% Life – 0.79% Health – \$4,234/yr Dental – \$330/yr

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FUND PERSONNEL SUMMARY					
General Government Administration					
Council Manager Offices	9.00	8.00	8.00	8.00	8.00
Council Manager Offices - Parking Division					
Full-Time	0.00	1.00	0.00	0.00	0.00
Temporary	0.00	1.50	0.00	0.00	0.00
City Assessor					
Full-Time	12.00	12.00	10.00	10.00	10.00
Part-Time	0.00	0.00	0.30	0.30	0.30
City Attorney	6.90	6.90	5.90	6.90	6.90
Commissioner of Revenue					
City Full-Time	6.00	6.00	6.00	6.00	6.00
City Temporary	1.00	1.00	0.40	0.40	0.40
State Full-Time	8.00	6.00	5.00	5.00	6.00
Communications and Marketing	4.00	4.00	4.00	4.00	4.00
Customer Service					
Full-Time	2.00	2.00	2.00	2.00	2.00
Part-Time	2.04	1.50	1.50	1.50	1.50
Local Government Channel	2.00	2.00	2.00	2.00	2.00
Financial Services - Director's Office	6.00	6.00	5.00	5.00	5.00
Financial Services - Accounting Division					
Full-Time	12.00	12.00	10.00	10.00	10.00
Temporary	0.25	0.00	0.00	0.00	0.00
Financial Services - Billings and Collections					
Full-Time	22.00	21.00	20.00	20.00	20.00
Full-Time (Water Fund)	0.00	0.00	1.00	1.00	1.00
Financial Services - Budget Office	2.00	2.00	2.00	2.00	2.00
Financial Services - Procurement					
Full-Time	4.00	4.00	3.00	3.00	3.00
Full-Time (Water Fund)	0.00	0.00	1.00	1.00	1.00
Financial Services - Human Services Accounting Unit					
Full-Time	11.00	11.00	9.00	9.00	9.00
Part-Time	0.80	0.80	0.80	0.80	0.80
Human Resources					
Full-Time	9.00	9.00	8.00	8.00	8.00
Part-Time	0.00	0.00	0.50	0.50	0.50
Temporary	0.60	0.50	0.00	0.00	0.00
Human Resources - Occupational Health					
Full-Time	1.00	1.00	1.00	1.00	1.00
Part-Time	0.00	0.00	0.50	0.50	0.50
Temporary	0.75	0.60	0.00	0.00	0.00
Information Technology Administration	5.00	5.00	3.00	4.00	4.00
Information Technology Application Services	11.00	11.00	11.00	11.00	12.00
Information Technology Geographic Information System	0.00	0.00	3.00	3.00	3.00
Information Technology Network Services					
Full-Time	12.00	12.00	12.00	12.00	12.00
Temporary	1.00	0.00	0.00	0.00	0.00



Personnel Summary (continued)

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FUND PERSONNEL SUMMARY					
General Government Administration (continued)					
Internal Audit	2.00	2.00	2.00	2.00	2.00
Registrar and Electoral Board					
City Full-Time	1.00	1.00	1.00	1.00	1.00
City Part-Time	0.00	0.00	0.25	0.25	0.25
City Temporary	0.60	0.30	0.00	0.00	0.00
State Full-Time	1.00	1.00	1.00	1.00	1.00
State Treasurer					
State Full-Time	2.00	2.00	2.00	2.00	2.00
State Temporary	0.22	0.22	0.02	0.02	0.04
General Government Administration Total FTEs	158.16	154.32	142.17	144.17	146.19
Judicial Administration					
Circuit Court Clerk					
City Full-Time	1.20	1.20	1.20	1.20	1.20
State Full-Time	11.80	11.80	11.80	11.80	11.80
Circuit Court Judges	2.00	2.00	2.00	2.00	2.00
Commonwealth Attorney					
City Full-Time	1.00	1.11	0.00	0.00	1.14
State Full-Time	15.50	15.61	15.86	15.86	16.72
Sheriff					
City Full-Time	3.00	3.00	2.00	2.00	3.00
City Temporary	3.86	3.86	3.01	3.01	3.86
State Full-Time	24.00	24.00	22.00	22.00	22.00
Judicial Administration Total FTEs	62.36	62.58	57.87	57.87	61.72
Public Safety					
Police Department					
Sworn Full-Time	170.00	170.00	153.00	166.00	169.00
Civilian Full-Time	26.00	26.00	19.00	22.00	22.00
Part-Time	0.00	0.00	1.50	1.50	1.50
Temporary	1.88	1.88	0.00	0.00	0.00
Sworn Full-Time Not Funded	0.00	0.00	17.00	4.00	1.00
Civilian Full-Time Not Funded	0.00	0.00	6.00	3.00	3.00
Animal Control Unit					
Civilian Full-Time	5.00	5.00	4.00	4.00	5.00
Part-Time	0.00	0.00	1.50	1.50	1.00
Temporary	1.00	1.00	0.00	0.00	0.00
Emergency Services					
Civilian Full-Time	31.00	32.00	27.00	32.00	32.00
Temporary	0.50	0.50	0.00	0.00	0.00
Grant Full-Time	0.00	0.00	0.00	3.00	3.00
Fire Department					
Sworn Full-Time	178.00	178.00	161.00	174.00	177.00
Civilian Full-Time	8.00	8.00	6.50	8.00	9.00
Sworn Full-Time Not Funded	0.00	0.00	17.00	4.00	1.00
Public Safety Total FTEs	421.38	422.38	413.50	423.00	424.50



Personnel Summary (continued)

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FUND PERSONNEL SUMMARY					
Public Works					
Public Works Administration	11.00	11.00	11.00	11.00	11.00
Buildings Maintenance					
Full-Time	39.00	40.00	37.50	37.50	37.50
Part-Time	0.00	0.50	0.50	0.50	0.50
Temporary	0.50	0.50	0.45	0.45	0.45
Grounds Maintenance					
Full-Time	30.00	29.00	28.00	28.00	28.00
Part-Time	0.00	0.00	3.40	3.40	3.40
Temporary	14.00	8.00	3.90	3.90	3.90
Engineering Division					
Full-Time	0.00	0.00	28.00	28.00	28.50
Part-Time	0.00	0.00	1.75	1.75	1.75
Full-Time (Water Fund)	0.00	0.00	0.00	1.00	1.00
Street Maintenance					
Full-Time	30.00	29.00	26.00	26.00	26.00
Part-Time	0.00	0.00	1.20	1.20	1.20
Temporary	2.80	2.00	1.40	1.40	1.40
Refuse					
Full-Time	21.00	20.00	19.00	19.00	19.00
Part-Time	0.00	0.00	2.80	2.80	2.80
Temporary	3.09	1.54	0.00	0.00	0.00
Public Works Total FTEs	151.39	141.54	164.90	165.90	166.40
Health and Welfare					
Juvenile Services					
Full-Time	40.10	39.80	32.80	32.80	32.80
Part-Time	2.40	1.60	2.50	2.50	2.50
Temporary	6.60	6.60	6.40	6.40	6.40
Grant Full-Time	2.00	2.00	2.00	3.00	3.00
Grant Part-Time	0.00	0.75	0.75	0.00	0.00
Social Services Administration					
Full-Time	127.00	122.00	95.00	105.00	115.00
Part-Time	2.50	2.50	4.69	5.44	5.44
Temporary	3.38	3.38	3.38	3.38	3.38
Health and Welfare Total FTEs	183.98	178.63	147.52	158.52	168.52
Parks, Recreation, and Cultural					
Libraries					
Full-Time	22.00	22.00	19.00	20.00	21.00
Part-Time	9.02	9.02	9.77	9.77	11.58
Temporary	0.37	0.37	0.37	0.37	0.37
Museums					
Full-Time	4.00	4.00	4.00	4.00	4.00
Part-Time	4.94	4.94	3.86	3.86	4.94
Parks and Recreation					
Full-Time	29.48	31.00	31.00	31.00	32.00
Part-Time	13.03	16.60	10.21	10.21	10.91
Temporary	7.34	5.80	6.00	6.00	6.17



Personnel Summary (continued)

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FUND PERSONNEL SUMMARY					
Parks, Recreation, and Cultural (continued)					
Recreation Programs					
Part-Time	0.61	0.00	4.04	4.04	4.04
Temporary	2.62	3.48	3.59	3.59	3.59
Community Market					
Full-Time	3.00	3.00	2.00	2.00	2.00
Part-Time	2.25	2.26	3.01	3.01	3.01
Parks, Recreation, and Cultural Total FTEs	98.66	102.47	96.85	97.85	103.61
Community Development					
Director and Zoning and Natural Resources					
Full-Time	10.00	10.00	4.50	6.50	6.50
Part-Time	1.25	1.25	0.00	0.00	0.00
Temporary	1.30	1.30	0.00	0.00	0.00
Inspections and Code Enforcement					
Full-Time	12.00	11.00	12.75	12.75	12.25
Part-Time	1.00	0.50	0.75	0.75	0.75
Temporary	0.00	0.00	0.00	0.30	0.30
Planning					
Full-Time	6.00	5.00	5.00	5.00	5.00
Engineering Division					
Full-Time	36.00	35.00	0.00	0.00	0.00
Temporary	8.79	2.05	0.00	0.00	0.00
Geographic Information System					
Full-Time	3.00	3.00	0.00	0.00	0.00
Economic Development					
Full-Time	4.00	3.00	3.00	3.00	3.00
Temporary	0.50	0.42	0.00	0.00	0.00
Parking Management					
Full-Time	0.00	0.00	1.50	1.50	1.50
Part-Time	0.00	0.00	1.50	1.50	1.50
Community Development Total FTEs	83.84	72.52	29.00	31.30	30.80
TOTAL GENERAL FUND FTEs	1,159.77	1,134.44	1,051.81	1,078.61	1,101.74
FLEET SERVICES FUND					
Full-Time	12.00	12.00	11.00	11.00	11.00
Part-Time	0.00	0.00	0.50	0.50	0.50
Temporary	0.50	0.50	0.00	0.00	0.00
TOTAL FLEET SERVICES FUND FTEs	12.50	12.50	11.50	11.50	11.50
AIRPORT FUND					
Airport Administration					
Full-Time	4.00	4.00	4.00	4.00	4.00
Part-Time	0.00	0.00	0.70	0.70	0.70
Temporary	0.70	0.70	0.00	0.00	0.00
Airport Terminal					
Full-Time	7.00	6.00	6.00	6.00	6.00
Airport Airfield					
Full-Time	3.00	3.00	3.00	3.00	3.00
Temporary	1.00	0.00	0.00	0.00	0.00
Airport General Aviation					
Full-Time	1.00	1.00	1.00	1.00	1.00
Airport Safety (Law Enforcement) Grant					
Full-Time	3.00	3.00	3.00	3.00	3.00
TOTAL AIRPORT FUND FTEs	19.70	17.70	17.70	17.70	17.70



Personnel Summary (continued)

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FUND PERSONNEL SUMMARY					
WATER FUND					
Water Fund Administration					
Full-Time	16.00	17.00	20.00	19.00	19.00
Part-Time	0.00	0.00	0.60	0.60	0.60
Temporary	0.40	0.40	0.00	0.00	0.00
Meter Reading					
Full-Time	7.00	8.00	8.00	8.00	8.00
Part-Time	0.00	0.00	0.80	0.80	0.80
Temporary	0.50	0.50	0.00	0.00	0.00
Water Line Maintenance	16.00	16.00	16.00	16.00	16.00
Water Treatment	25.00	25.00	24.00	24.00	24.00
TOTAL WATER FUND FTEs	64.90	66.90	69.40	68.40	68.40
SEWER FUND					
Sewer Line Maintenance	17.00	17.00	17.00	17.00	17.00
Wastewater Treatment					
Full-Time	29.00	30.00	30.00	30.00	30.00
Part-Time	0.00	0.00	0.60	0.60	0.60
Temporary	2.60	3.00	2.40	2.40	2.40
TOTAL SEWER FUND FTEs	48.60	50.00	50.00	50.00	50.00
OTHER FUNDS					
CSA Fund					
Grant Full-Time	1.20	1.20	1.20	1.20	1.20
Regional Juvenile Detention Center Fund					
Full-Time	42.00	41.00	40.00	40.00	40.00
Part-Time	5.05	5.05	5.05	5.05	5.05
Temporary	2.50	2.50	2.50	2.50	2.50
Risk Management Fund					
Full-Time	3.10	3.10	2.10	3.10	3.10
Community Development Block Grant Fund					
Grant Full-Time	0.50	0.50	0.50	0.50	0.50
Grant Part-Time	0.00	0.50	0.80	0.80	0.80
HOME Investment Fund					
Grant Full-Time	0.50	0.50	0.25	0.25	0.25
City Federal State Aid Fund					
Commonwealth's Attorney Office Grants					
Grant Full-Time	6.28	6.28	4.14	4.14	4.14
Grant Part-Time	0.00	0.00	0.50	0.50	0.50
Grant Temporary	0.50	0.50	0.00	0.00	0.00
Social Services Grants					
Grant Full-Time	6.00	6.00	4.00	4.00	5.00
Grant Temporary	0.50	0.50	0.00	0.00	0.00
Community Corrections and Pre-Trial Svcs Grants					
Grant Full-Time	8.00	8.00	8.00	8.00	8.00
Grant Part-Time	0.88	1.00	1.48	1.48	1.48
Grant Temporary	0.75	0.00	0.75	0.75	0.75
City Capital Projects Fund					
Temporary	1.50	4.25	3.75	3.75	3.75
TOTAL OTHER FUNDS FTEs	79.26	80.88	75.02	76.02	77.02
TOTAL FULL TIME EQUIVALENTS	1,384.73	1,362.42	1,275.43	1,302.23	1,326.36



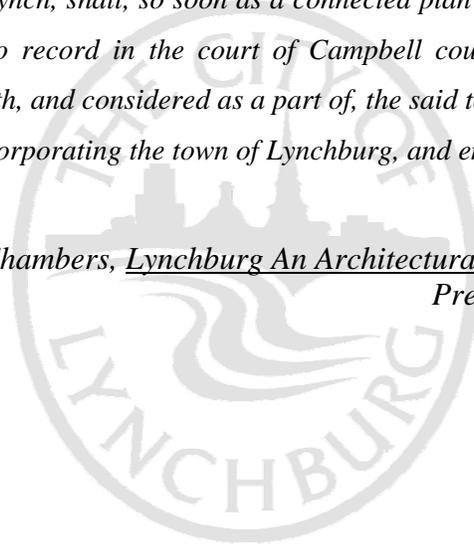
HISTORICAL QUOTE:

“Be it enacted by the General Assembly...that the mayor, recorder, aldermen and common councilmen...are herby made a body corporate and politic, by the name of the Mayor and Commonality of the town of Lynchburg...[they] shall have power to erect work houses, houses of correction, prisons and other public buildings....And be it further enacted, that all half acre lots of land, as the same were laid off adjoining the said town, by John Lynch, shall, so soon as a connected plan of the said lots be duly admitted to record in the court of Campbell county, be added to, incorporated with, and considered as a part of, the said town.”

An Act for incorporating the town of Lynchburg, and enlarging the same.

January 10, 1805

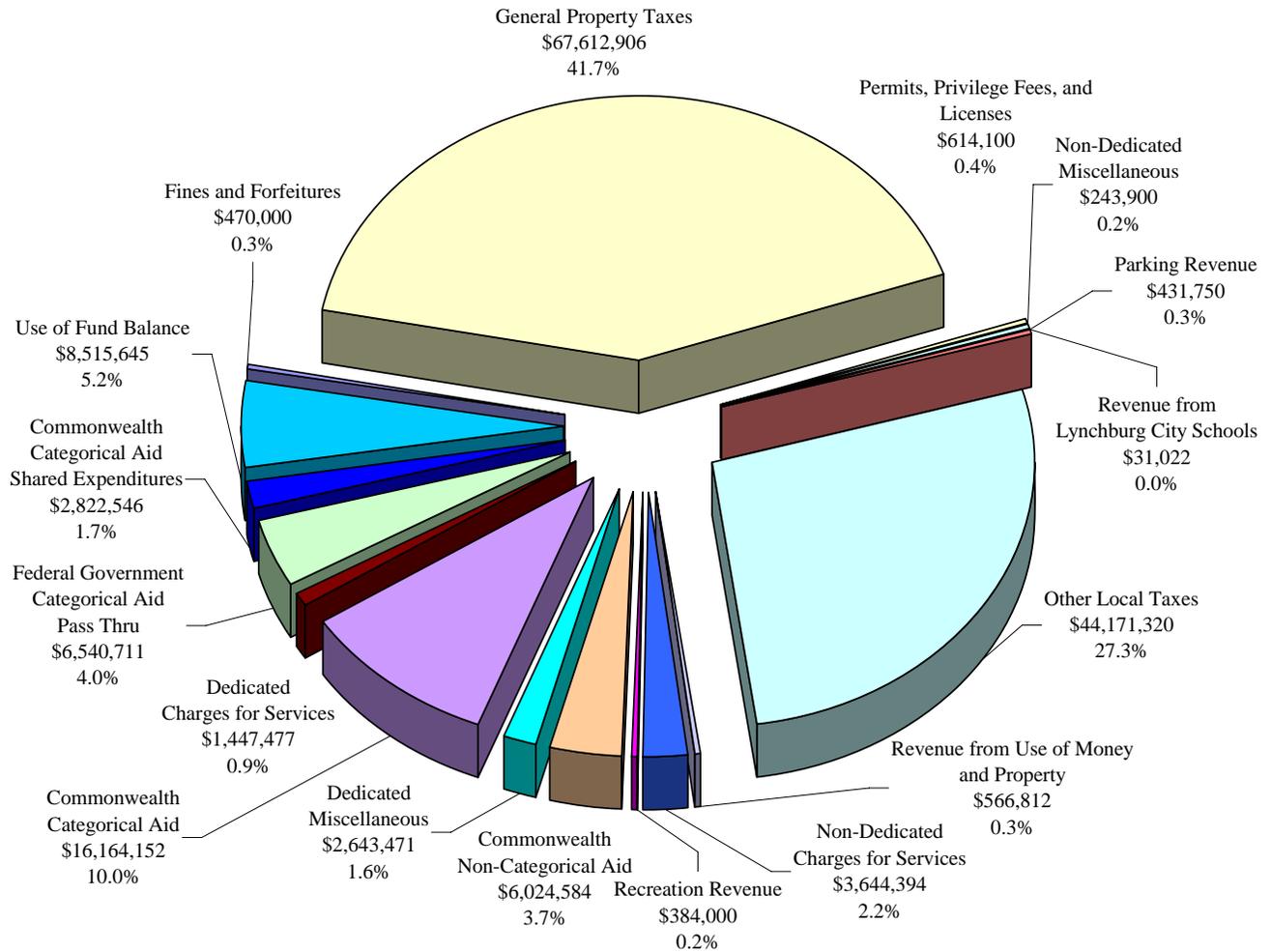
-- S. Allen Chambers, Lynchburg An Architectural History, University Press of Virginia, 1982.





FY 2011 REVENUES AND USE OF FUND BALANCE

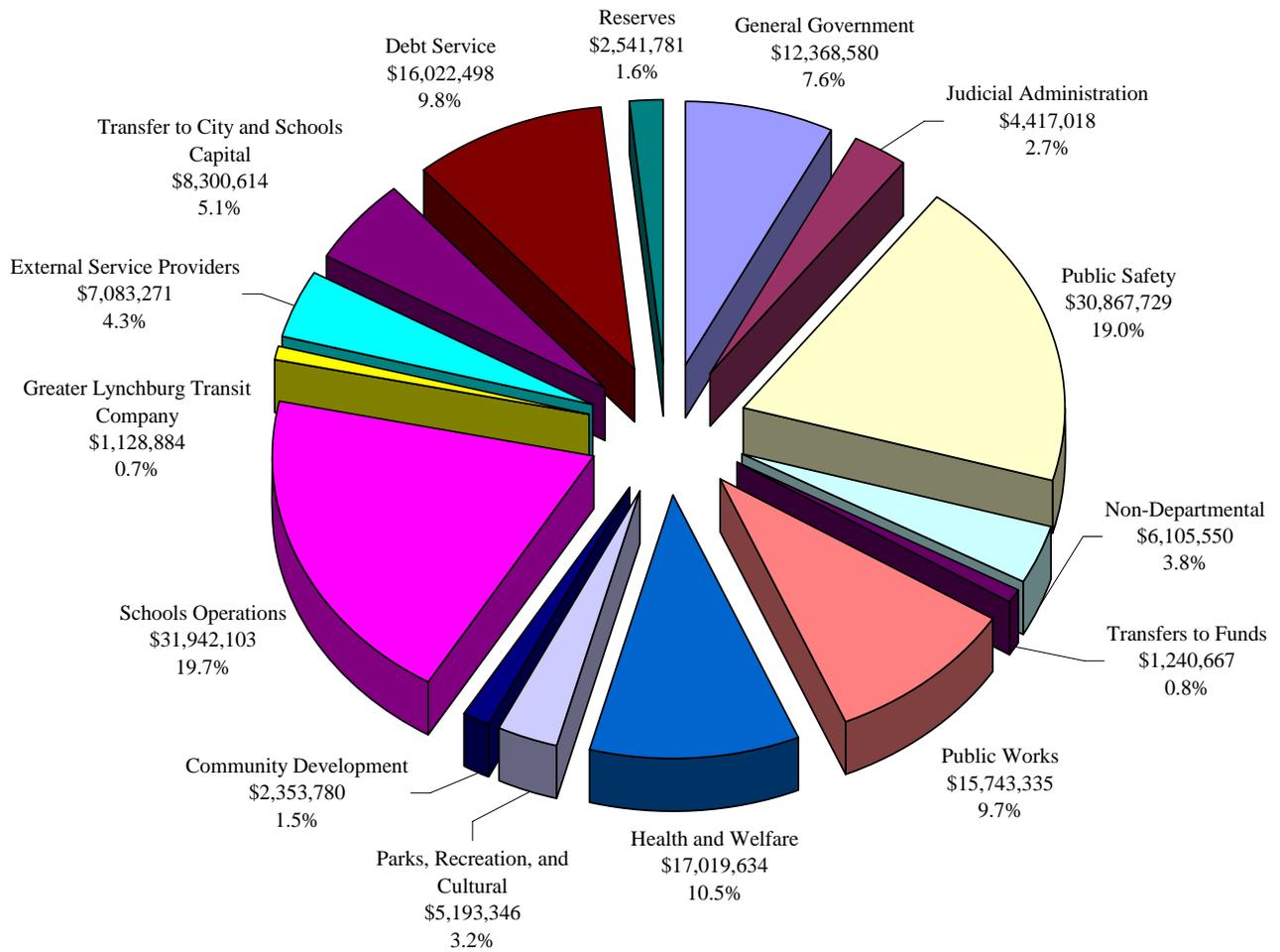
\$162,328,790





FY 2011 EXPENDITURES, RESERVES, AND TRANSFERS

\$162,328,790





	Actual FY 2009	Adopted FY 2010	Revised Estimate FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
BEGINNING UNDESIGNATED FUND BALANCE	\$26,007,313	\$17,740,184	\$24,480,446	\$23,073,874	\$23,073,874
REVENUES					
Non-dedicated Revenue	\$123,318,745	\$120,774,814	\$123,838,509	\$123,419,878	\$123,379,438
Dedicated Revenue	37,973,825	30,080,682	30,224,401	30,351,567	30,433,707
TOTAL REVENUES	\$161,292,570	\$150,855,496	\$154,062,910	\$153,771,445	\$153,813,145
Other Financing Sources	\$0	\$0	\$13,520,441	\$0	\$0
FY 2009 Encumbrance Funding	2,395,132	0	718,209	0	0
Use of Designated Fund Balance	469,246	0	0	0	0
Additions to Designated Fund Balance	(7,093,191)	0	0	0	0
Additions to Fund Balance	0	0	0	(4,000)	(4,000)
Use of Designated Fund Balance - Solid Waste Debt	0	651,042	0	0	639,055
Use of Designated Fund Balance - Prevention Reserve	0	25,000	25,000	0	0
Use/(Addition) of Designated Fund Balance - Recreation Programs	0	12,623	12,623	79,976	79,976
Use of School FY 2009 Year End Fund Balance	0	0	0	291,733	291,733
Use of Reserve for Debt Service	0	1,329,836	1,329,836	0	0
Use of Designated Fund Balance - Health Insurance Reserve	108,000	161,600	161,600	0	0
TOTAL REVENUES AND USE OF DESIGNATED FUND BALANCE	\$157,171,757	\$153,035,597	\$169,830,619	\$154,139,154	\$154,819,909
Use of (Additions to) Fund Balance	(\$4,645,371)	(\$1,511,228)	\$944,742	\$0	\$0
Use of Fund Balance - Capital	6,172,238	2,820,617	2,820,617	7,508,881	7,508,881
TOTAL REVENUES AND USE OF FUND BALANCE	\$158,698,624	\$154,344,986	\$173,595,978	\$161,648,035	\$162,328,790
EXPENDITURES					
Operating - Departmental	\$92,241,020	\$91,586,655	\$92,742,013	\$86,520,508	\$87,963,422
Operating - Non-Departmental	11,276,878	9,597,505	11,223,552	13,019,032	13,188,821
Transfers To Other Funds	2,539,571	1,311,322	1,324,221	1,244,396	1,240,667
Debt Service - General Fund	7,748,227	8,685,048	14,749,329	8,800,144	8,800,144
Greater Lynchburg Transit Company	882,030	1,128,884	1,128,884	1,128,884	1,128,884
Schools - Operations	32,150,370	32,442,103	31,942,103	32,442,103	31,942,103
Schools - Debt Service	5,526,280	6,552,852	14,087,042	7,222,354	7,222,354
Reserves					
Debt Service	\$0	\$0	\$0	\$0	\$1,071,781
General Assembly Action	0	0	0	1,500,000	0
Juvenile Detention Home Workers Comp	0	20,000	20,000	20,000	20,000
Post Employment Benefits	0	0	0	250,000	250,000
Contingencies	0	200,000	1,199,430	1,200,000	1,200,000
TOTAL EXPENDITURES	\$152,364,376	\$151,524,369	\$168,416,574	\$153,347,421	\$154,028,176
TRANSFER TO CAPITAL FUNDS					
School Capital Projects Fund	\$162,010	\$0	\$0	\$1,941,733	\$1,941,733
City Capital Projects Fund	6,172,238	2,820,617	2,820,617	6,358,881	6,358,881
TOTAL TRANSFER TO CAPITAL	\$6,334,248	\$2,820,617	\$2,820,617	\$8,300,614	\$8,300,614
TOTAL EXPENDITURES, RESERVES & TRANSFERS	\$158,698,624	\$154,344,986	\$171,237,191	\$161,648,035	\$162,328,790
UNDESIGNATED FUND BALANCE	\$24,480,446	\$16,430,795	\$23,073,874	\$15,564,993	\$15,564,993
Designated Fund Balance Reserves¹	\$9,215,729	\$3,779,065	\$7,071,792	\$8,161,055	\$7,093,781
TOTAL FUND BALANCE	\$33,696,175	\$20,209,860	\$30,145,666	\$23,726,048	\$22,658,774
¹ Designated Fund Balance Reserves:					
Recreation Programs	\$172,859	\$108,780	\$160,236	\$80,260	\$80,260
Technology Fund	197,962	0	197,962	197,962	\$197,962
Detention Home Workers Compensation	40,000	60,000	60,000	80,000	80,000
Juvenile Services Group Home Reserve	150,000	150,000	150,000	150,000	150,000
Juvenile Services Prevention Initiative	50,000	25,000	25,000	25,000	25,000
Law Library	41,676	46,756	57,840	62,920	62,920
Museums	14,082	14,082	14,082	14,082	14,082
Public Works Funds from Solid Waste	39,925	0	39,925	39,925	39,925
Medical Benefits	287,000	126,000	125,400	125,400	125,400
School funding - textbooks and health insurance	2,867,641	2,737,918	2,867,641	2,575,908	2,575,908
Debt Service - General Fund	1,329,836	0	0	0	1,071,781
Debt Service - Solid Waste	3,200,111	0	2,549,069	2,549,069	1,910,014
Aid to Commonwealth	314,108	0	314,108	1,500,000	0
Other Post Employment Benefits	510,529	510,529	510,529	760,529	760,529
Total Designated Fund Balance Reserves	\$9,215,729	\$3,779,065	\$7,071,792	\$8,161,055	\$7,093,781

Note: Use of Fund Balance is consistent with Financial Policies adopted by City Council.



	Actual FY 2009	Adopted FY 2010	Revised FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
REVENUE SUMMARY BY CATEGORY					
NON-DEDICATED REVENUE					
General Property Taxes	\$65,093,469	\$65,288,389	\$67,339,150	\$67,612,906	\$67,612,906
Other Local Taxes	45,203,583	43,640,385	44,210,393	44,046,320	44,171,320
Permits, Privilege Fees, and Licenses	649,949	644,390	589,300	614,100	614,100
Fines and Forfeitures	527,892	470,000	470,000	470,000	470,000
Revenue from Use of Money and Property	1,347,846	764,726	936,298	566,812	566,812
Charges for Services	3,425,696	2,883,094	3,651,594	3,644,394	3,644,394
Miscellaneous	404,964	239,000	312,800	243,900	243,900
Revenue from Lynchburg City Schools	578,200	621,022	278,390	172,462	31,022
Revenue from the Commonwealth Non-Categorical Aid	6,087,146	6,038,008	6,050,584	6,048,584	6,024,584
TOTAL NON-DEDICATED REVENUE	\$123,318,745	\$120,589,014	\$123,838,509	\$123,419,478	\$123,379,038
DEDICATED REVENUE					
Charges for Services	1,329,031	1,576,653	1,499,669	1,447,477	1,447,477
Recreation Revenue	377,195	361,000	361,000	384,000	384,000
Parking Revenue	86,788	100,800	104,200	431,750	431,750
Miscellaneous	2,749,895	1,914,378	2,428,384	2,623,471	2,643,471
Interfund Transfers	6,450,066	102,241	212,639	0	0
Revenue from the Commonwealth					
Categorical Aid-State Shared Expenditures	2,928,362	3,094,290	2,878,656	2,455,293	2,822,546
Categorical Aid	17,777,147	16,510,451	15,908,134	16,576,621	16,164,152
Revenue from the Federal Government					
Federal Categorical Aid Pass Thru	6,275,340	6,606,669	6,831,719	6,433,355	6,540,711
TOTAL DEDICATED REVENUE	\$37,973,824	\$30,266,482	\$30,224,401	\$30,351,967	\$30,434,107
TOTAL REVENUES	\$161,292,569	\$150,855,496	\$154,062,910	\$153,771,445	\$153,813,145



Current Real Property Tax

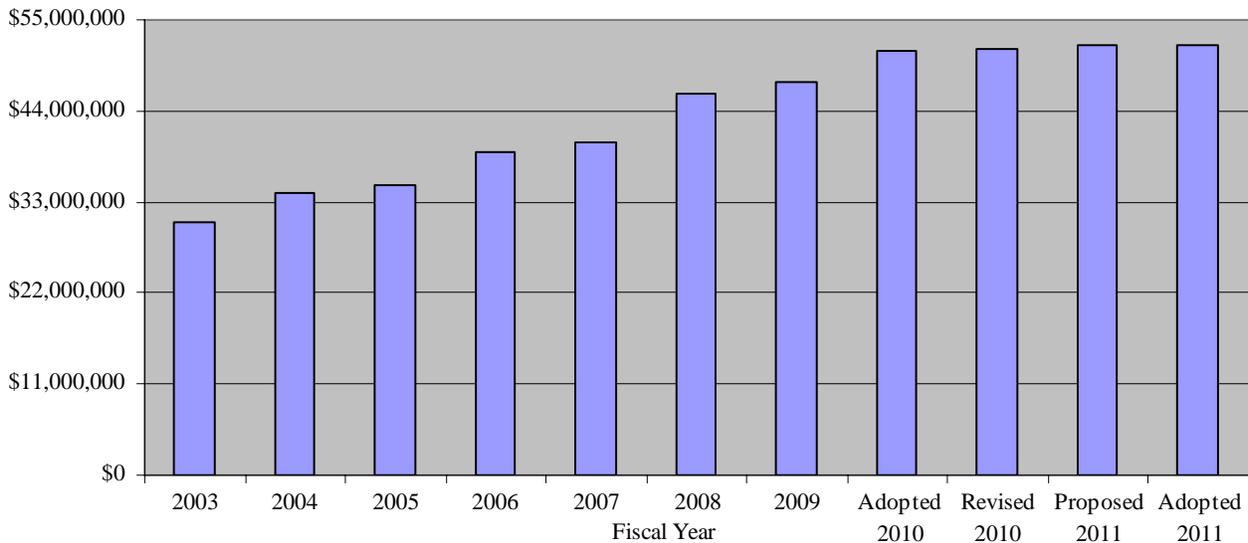
Fiscal Year	Tax Rate	Amount	Percent Change
2003	\$1.11 per \$100 assessed value	\$30,671,630	2.4%
2004	\$1.11 per \$100 assessed value	\$34,128,258	11.3%
2005	\$1.11 per \$100 assessed value	\$35,122,787	2.9%
2006	\$1.11 per \$100 assessed value	\$39,068,092	11.2%
2007	\$1.11 per \$100 assessed value	\$40,281,964	3.1%
2008	\$1.05 per \$100 assessed value	\$45,969,063	14.1%
2009	\$1.05 per \$100 assessed value	\$47,380,606	3.1%
2010 Adopted	\$1.05 per \$100 assessed value	\$51,164,921	8.0%
2010 Revised	\$1.05 per \$100 assessed value	\$51,487,273	0.6%
2011 Proposed	\$1.05 per \$100 assessed value	\$52,001,792	1.0%
2011 Adopted	\$1.05 per \$100 assessed value	\$52,001,792	0.0%

Enabling Legislation and Rate Changes:

Section 58.1-3200 through 58.1-3389 of the Virginia Code authorizes localities to levy taxes on real property. This tax includes land, buildings, and improvements on such buildings. There is no cap on this tax. Reassessments are completed on a biennial basis and revenues are projected based on information received from the City Assessor.

Real estate taxes are levied as of the first day of July each year. Supplemental real estate taxes are levied throughout the year to reflect construction in progress during the fiscal year. Real estate taxes are payable in four quarterly installments on November 15, January 15, March 15, and May 15. If paid thereafter, a 10% penalty and interest at the rate of 10% per annum is added.

Current Real Property Tax
FY 2003 through FY 2011



FY 2011 Analysis:

The national decline in the housing market has not impacted the Lynchburg market to the extent seen in other localities. However, FY 2011 is not a reassessment year and the projection for new construction is the lowest estimate in a decade.



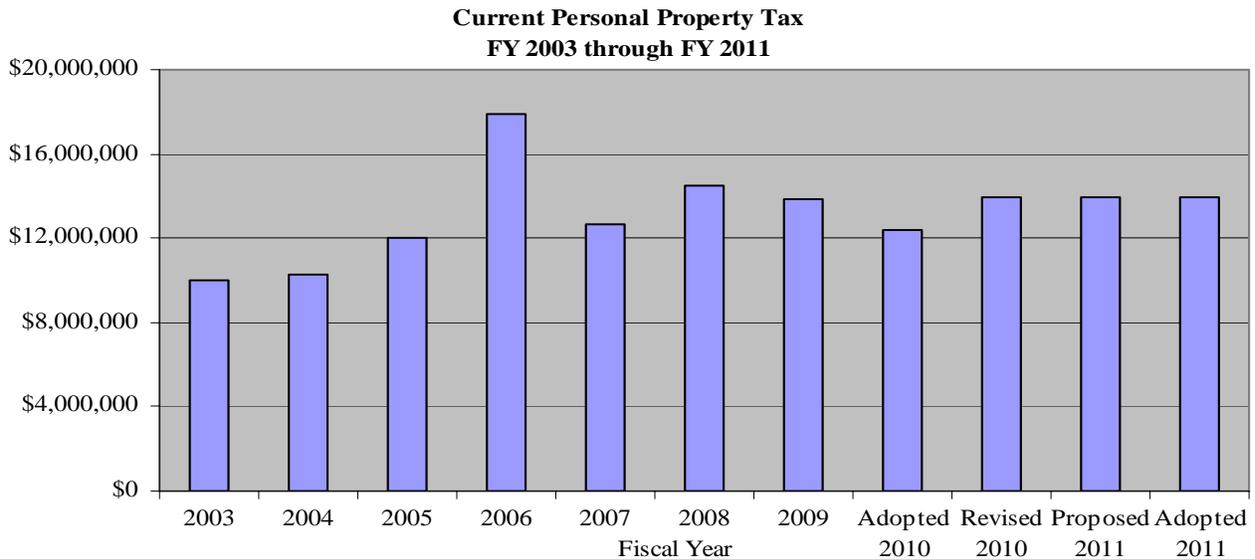
Current Personal Property Tax – Local Portion

Fiscal Year	Tax Rate	Amount	Percent Change
2003	\$3.30 per \$100 assessed value	\$10,031,237	1.7%
2004	\$3.30 per \$100 assessed value	\$10,305,698	2.7%
2005	\$3.80 per \$100 assessed value	\$12,003,204	16.5%
2006	\$3.80 per \$100 assessed value	\$17,867,625	48.9%
2007	\$3.80 per \$100 assessed value	\$12,676,129	(29.1%)
2008	\$3.80 per \$100 assessed value	\$14,541,089	14.7%
2009	\$3.80 per \$100 assessed value	\$13,895,531	(4.4%)
2010 Adopted	\$3.80 per \$100 assessed value	\$12,357,017	(11.1%)
2010 Revised	\$3.80 per \$100 assessed value	\$13,918,416	12.6%
2011 Proposed	\$3.80 per \$100 assessed value	\$13,918,416	0.0%
2011 Adopted	\$3.80 per \$100 assessed value	\$13,918,416	0.0%

Enabling Legislation and Rate Changes:

Sections 58.1-3500 and 58.1 3531 of the Virginia Code allows cities to levy a tax on tangible personal property of businesses and individuals. There is no cap on the tax rate. The Commonwealth allocates \$5.5 million to the City to be utilized in providing tax relief for automobiles owned by individuals and used for personal use.

For FY 2006 personal property taxes were due November 15, 2005 for calendar year 2005 levy. Due to the implementation of a semi-annual billing process, the first installment of personal property taxes for calendar year 2006 levy was due June 15, 2006 with the second installment due December 5, 2006. Future installments will be due June 5 and December 5. Supplemental billings for personal property acquisitions will be due March 5 and September 5.



FY 2011 Analysis:

The Commissioner of Revenue assesses vehicles at 100% of the average trade-in value. Revenue projections are based on information received by the Commissioner of Revenue from the Department of Motor Vehicles. The Revised FY 2010 and Proposed FY 2011 projections are flat compared to the Actual FY 2009 tax collection due to the National Automobile Dealers Association (NADA) increasing the value of Sport Utility Vehicles (SUVs) and trucks when gasoline prices declined.

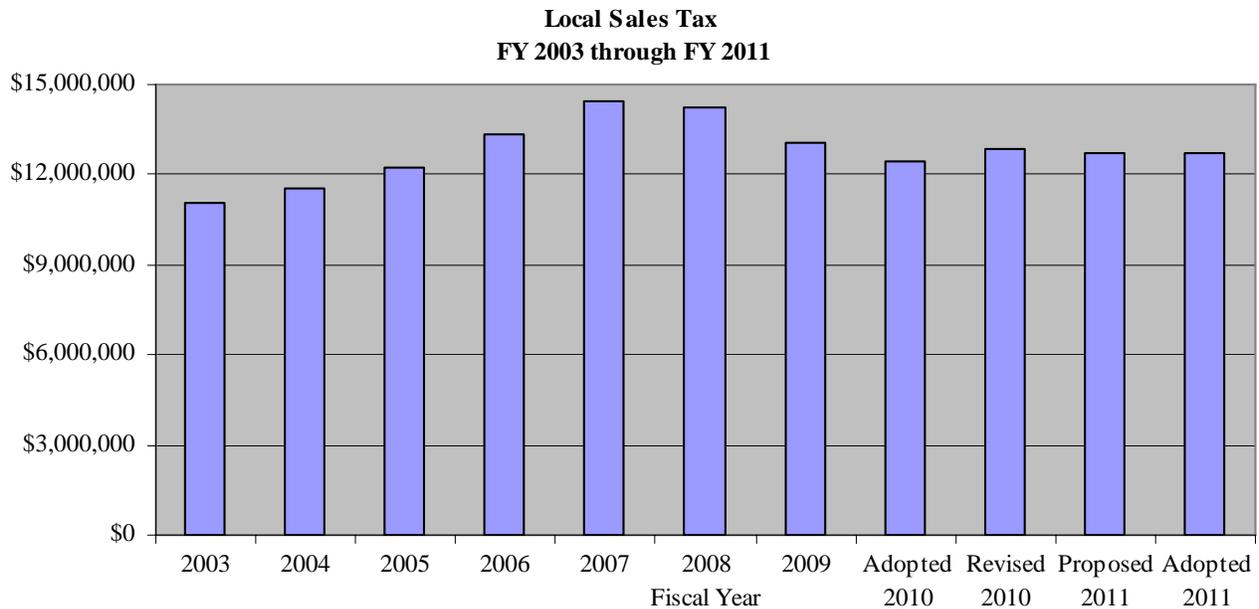


Local Sales Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2003	1% + 3.5% VA tax	\$11,027,631	(7.4%)
2004	1% + 3.5% VA tax	\$11,519,938	4.5%
2005	1% + 4.0% VA tax	\$12,219,195	6.1%
2006	1% + 4.0% VA tax	\$13,315,093	9.0%
2007	1% + 4.0% VA tax	\$14,475,896	8.7%
2008	1% + 4.0% VA tax	\$14,260,830	(1.5%)
2009	1% + 4.0% VA tax	\$13,050,834	(8.5%)
2010 Adopted	1% + 4.0% VA tax	\$12,468,277	(4.5%)
2010 Revised	1% + 4.0% VA tax	\$12,846,700	3.0%
2011 Proposed	1% + 4.0% VA tax	\$12,694,401	(1.2%)
2011 Adopted	1% + 4.0% VA tax	\$12,694,401	(0.0%)

Enabling Legislation and Rate Changes:

Section 58.1-603 of the Virginia Code authorizes the imposition of a sales tax on the purchase price of retail products. Section 58.1-605 of the Virginia Code allows cities to levy a general retail sales tax of 1% to provide revenue to the General Fund. Section 36-188 of the City Code enables the City to collect the 1% sales tax; the State component of the sales tax was increased from 3.5% to 4% in FY 2005.



FY 2011 Analysis:

Revised FY 2010 projections reflect a slight increase above the projected figure. While economists are advising the country is coming out of recession, FY 2010 and FY 2011 projections are conservative based on a monthly analysis of sales tax receipts and the uncertainty demonstrated in those collections.



Consumer Utility Tax Electric

Fiscal Year	Tax Rate	Amount	Percent Change
2003	See below	\$3,629,146	4.5%
2004	See below	\$3,608,470	(0.6%)
2005	See below	\$3,638,859	0.8%
2006	See below	\$3,766,901	3.5%
2007	See below	\$3,837,889	1.9%
2008	See below	\$3,898,549	1.6%
2009	See below	\$3,830,068	(1.8%)
2010 Adopted	See below	\$3,757,100	(1.9%)
2010 Revised	See below	\$3,757,100	0.0%
2011 Proposed	See below	\$3,757,100	0.0%
2011 Adopted	See below	\$3,757,100	0.0%

Residential (R): The greater of: \$0.0046 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

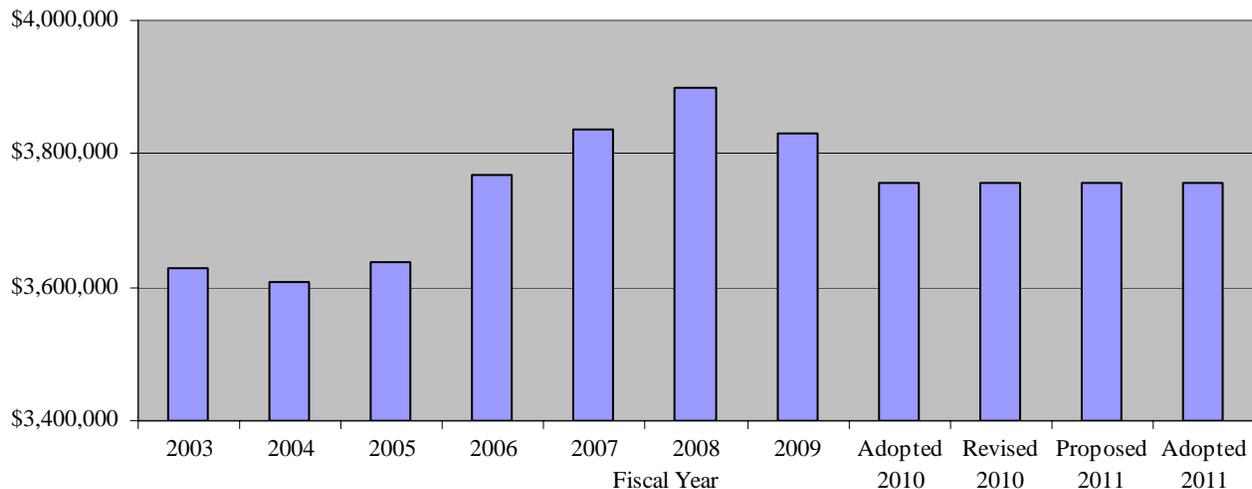
Commercial (C): The greater of: \$0.0048 for the first 1,000 kwh (or a fraction thereof) plus \$0.0092 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

Industrial (I): The greater of: \$0.00375 for the first 1,000 kwh (or a fraction thereof) plus \$0.0026 for each kwh over the first 1,000 kwh, or 7% of the minimum monthly charge.

Enabling Legislation and Rate Changes:

Section 58.1-3814 of the Virginia Code allows localities to impose a local utility tax on the consumers of public utilities. These utilities include electric, gas, and water. The percentage of the tax varies based on residential (R), commercial (C), or industrial (I) classification. In 2001, the General Assembly changed the rate of the electric tax to a consumption tax. This tax is now based on kilowatt hours of electricity used by the consumer.

**Consumer Utility Tax Electric
FY 2003 through FY 2011**



FY 2011 Analysis:

Revenue projections are based on historical averages and weather patterns. The FY 2011 projection remains flat compared to the FY 2010 Adopted and Revised figures due to a possible reduction in use by consumers to counteract a rate increase by American Electric Power (AEP).



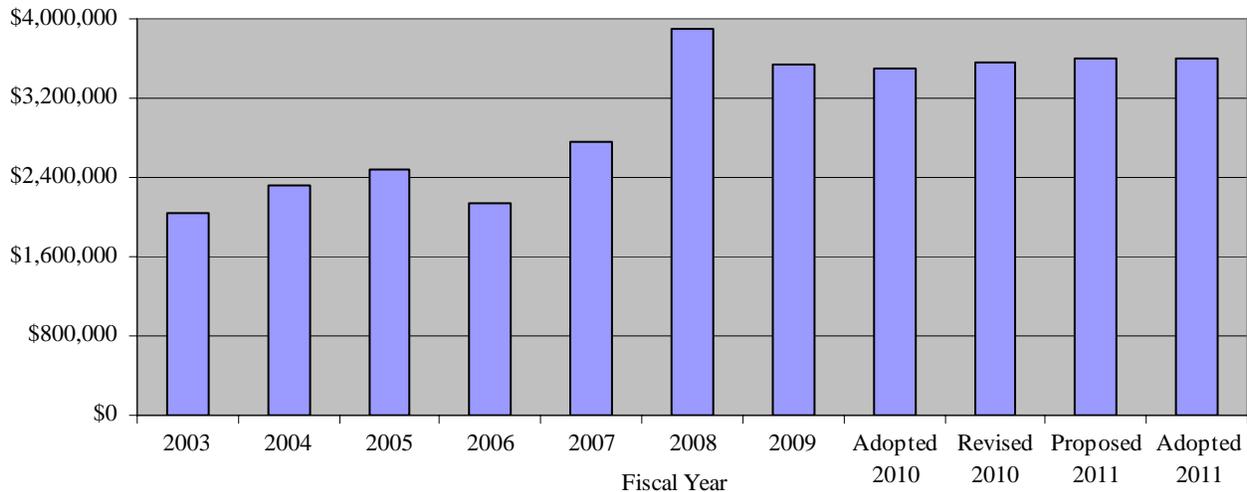
Communications Sales and Use Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2003	7%	\$2,045,234	13.7%
2004	7%	\$2,312,635	13.1%
2005	7%	\$2,473,849	7.0%
2006	7%	\$2,136,777	(13.6%)
2007	See below	\$2,765,483	29.4%
2008	See below	\$3,893,158	40.8%
2009	See below	\$3,537,283	(9.1%)
2010 Adopted	See below	\$3,492,000	(1.3%)
2010 Revised	See below	\$3,554,274	1.8%
2011 Proposed	See below	\$3,600,000	1.3%
2011 Adopted	See below	\$3,600,000	0.0%

Enabling Legislation and Rate Changes:

Section 58.1-662 of the Virginia Code allows the State to collect this tax. The tax is then allocated and distributed monthly according to the percentage of telecommunications and television cable funds (local consumer utility tax on landlines and wireless, E-911, business license tax in excess of 0.5%, cable franchise fee, video programming excise tax and local consumer utility tax on cable television) received by the locality in Fiscal Year 2006 from local tax rates adopted on or before January 1, 2006. This legislation became effective January 1, 2007 and is intended to be revenue neutral for localities.

**Communications Sales and Use Tax
FY 2003 through FY 2011**



FY 2011 Analysis:

The FY 2011 Proposed projection is relatively flat compared to FY 2009 and FY 2010 Revised figures due to allocations by the State becoming more accurate over time.

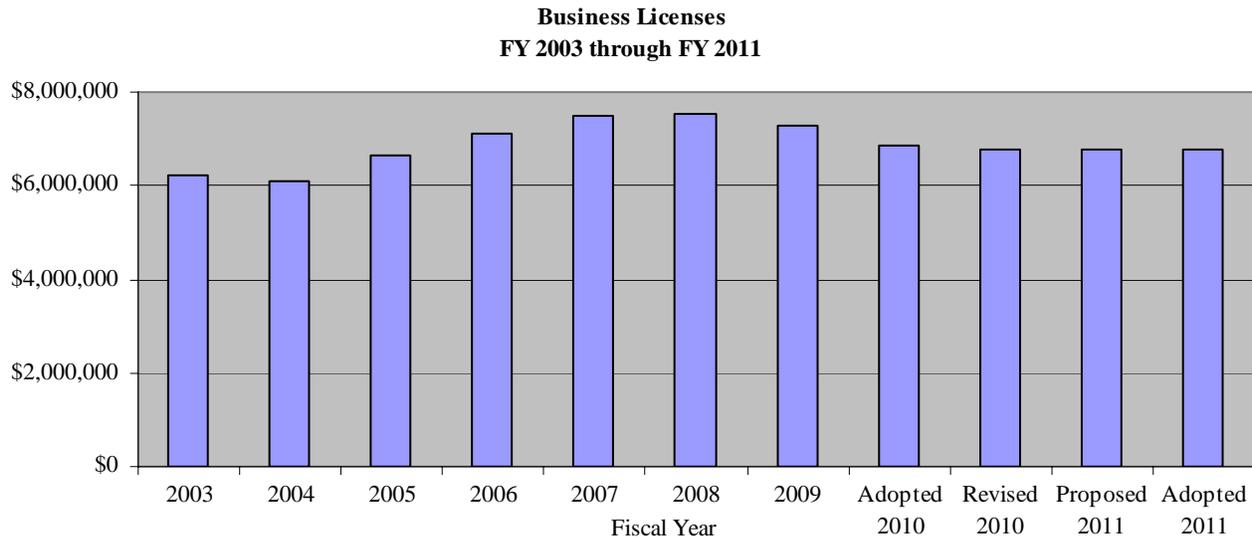


Business Licenses

Fiscal Year	Tax Rate	Amount	Percent Change
2003	See Below	\$6,214,713	1.6%
2004	See Below	\$6,088,506	(2.0%)
2005	See Below	\$6,648,555	9.2%
2006	See Below	\$7,130,237	7.2%
2007	See Below	\$7,474,759	4.8%
2008	See Below	\$7,537,805	0.8%
2009	See Below	\$7,271,043	(3.5%)
2010 Adopted	See Below	\$6,856,103	(5.7%)
2010 Revised	See Below	\$6,769,360	(1.3%)
2011 Proposed	See Below	\$6,769,360	0.0%
2011 Adopted	See Below	\$6,769,360	0.0%

Enabling Legislation and Rate Changes:

Sections 58.1-3700 through 58.1-3735 of the Virginia Code authorizes localities to impose a local license tax on businesses, professions, and occupations. The tax rate varies depending on the type of business. Lynchburg has a tax rate of \$0.16 on contracting; \$0.20 on retail; \$0.36 on repair, personal, and business services; and \$0.58 on financial real estate per \$100 of gross receipts. A wholesalers’ license is \$0.28 per \$100 of gross purchases plus a \$20 fee per license when gross purchases are over \$100,000. These rates are the maximum allowed by State law.



FY 2011 Analysis:

Revenues for FY 2010 were revised to decline as compared to actual collection in FY 2009 due to several businesses closing as well as a slight reduction in sales tax revenue. The FY 2011 projection reflects the expectation the recession will slowly improve in the coming months and continue through the next fiscal year.

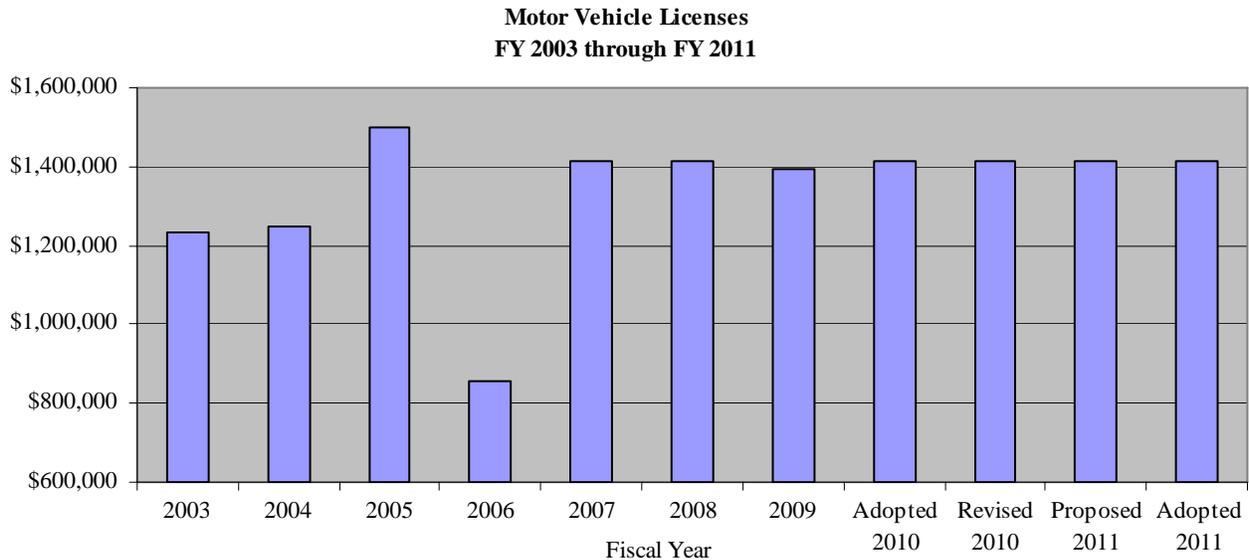


Motor Vehicle Licenses

Fiscal Year	Tax Rate	Amount	Percent Change
2003	\$25.00	\$1,233,855	(1.2%)
2004	\$25.00	\$1,246,702	1.0%
2005	\$29.50/\$34.50	\$1,498,014	20.2%
2006	\$29.50/\$34.50	\$856,406	(42.8%)
2007	\$29.50/\$34.50	\$1,413,309	65.0%
2008	\$29.50/\$34.50	\$1,413,142	0.0%
2009	\$29.50/\$34.50	\$1,395,208	(1.3%)
2010 Adopted	\$29.50/\$34.50	\$1,413,142	1.3%
2010 Revised	\$29.50/\$34.50	\$1,413,142	0.0%
2011 Proposed	\$29.50/\$34.50	\$1,413,142	0.0%
2011 Adopted	\$29.50/\$34.50	\$1,413,142	0.0%

Enabling Legislation and Rate Changes:

Section 46.2-752 of the Virginia Code authorizes cities to levy a license tax on motor vehicles, trailers, and semi-trailers. In 2004 the City of Lynchburg increased the Motor Vehicle Tax from \$25.00 to \$29.50 for vehicles weighing 4,000 pounds or less, and \$34.50 for vehicles weighing greater than 4,000 pounds. The City cannot charge more than the State fee for a license plate. Revenues for FY 2006 were lower due to the pro-ration of license fees when decals were eliminated.



FY 2011 Analysis:

Revenue from Motor Vehicle Licenses has remained stable since the elimination of decals in FY 2006; FY 2011 is expected to trend the same.



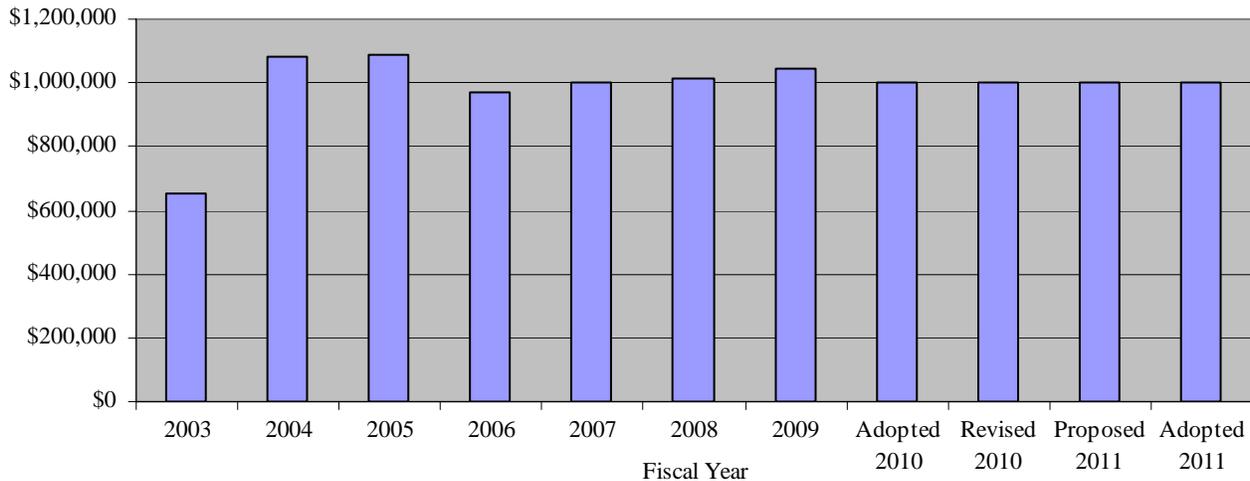
Tobacco Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2003	\$0.15 per 20 pack	\$652,156	17.8%
2004	\$0.35 per 20 pack	\$1,083,020	66.1%
2005	\$0.35 per 20 pack	\$1,087,358	0.4%
2006	\$0.35 per 20 pack	\$972,337	(10.6%)
2007	\$0.35 per 20 pack	\$1,002,130	3.1%
2008	\$0.35 per 20 pack	\$1,014,759	1.3%
2009	\$0.35 per 20 pack	\$1,044,465	2.9%
2010 Adopted	\$0.35 per 20 pack	\$1,000,000	(4.3%)
2010 Revised	\$0.35 per 20 pack	\$1,000,000	0.0%
2011 Proposed	\$0.35 per 20 pack	\$1,000,000	0.0%
2011 Adopted	\$0.35 per 20 pack	\$1,000,000	0.0%

Enabling Legislation and Rate Changes:

Section 58.1-1001 of the Virginia Code allows the State to levy a tax of \$0.30 on a pack of twenty cigarettes. The City of Lynchburg has a tax of \$0.35 on a pack of twenty cigarettes. This rate was changed from the original \$0.15 in FY 2004. Currently, this tax is not capped by the State.

**Tobacco Tax
FY 2003 through FY 2011**



FY 2011 Analysis:

Tobacco tax revenue has hovered around \$1 million since FY 2006; based on this trend collections for FY 2011 are projected to be relatively flat.

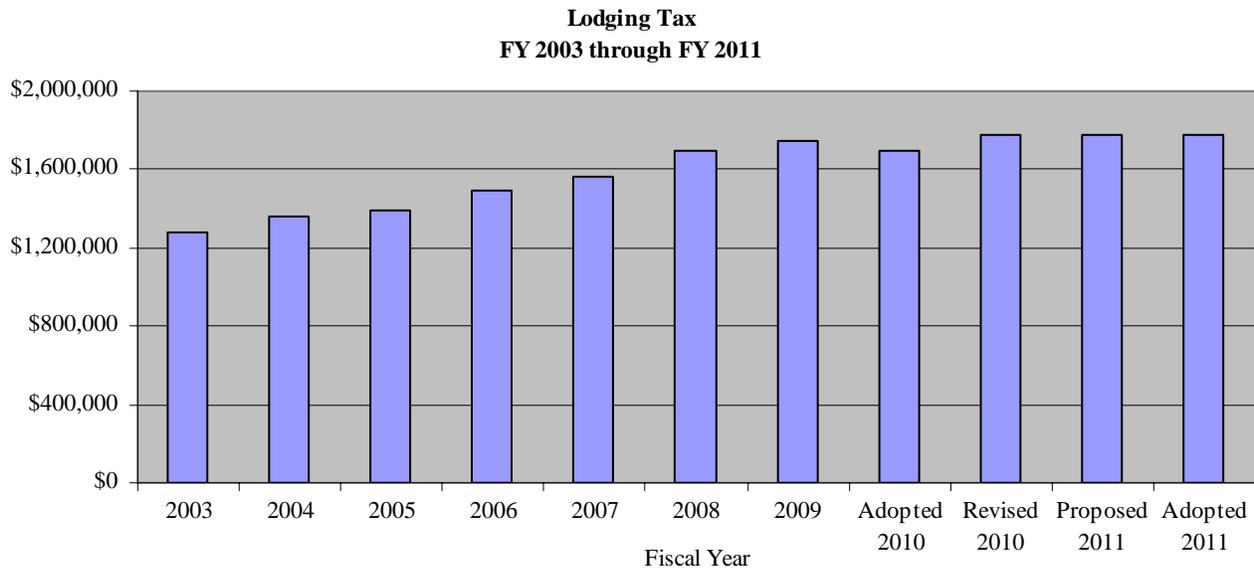


Lodging Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2003	5.5% + \$1 per room/night	\$1,275,466	0.6%
2004	5.5% + \$1 per room/night	\$1,362,924	6.9%
2005	5.5% + \$1 per room/night	\$1,392,745	2.2%
2006	5.5% + \$1 per room/night	\$1,491,943	7.1%
2007	5.5% + \$1 per room/night	\$1,565,191	4.9%
2008	5.5% + \$1 per room/night	\$1,698,848	8.5%
2009	5.5% + \$1 per room/night	\$1,742,232	2.6%
2010 Adopted	5.5% + \$1 per room/night	\$1,698,848	(2.5%)
2010 Revised	5.5% + \$1 per room/night	\$1,777,363	4.6%
2011 Proposed	5.5% + \$1 per room/night	\$1,777,363	0.0%
2011 Adopted	5.5% + \$1 per room/night	\$1,777,363	0.0%

Enabling Legislation and Rate Changes:

Section 58.1-3819 of the Virginia Code allows for a lodging tax to be imposed on rooms intended for dwelling or sleeping. The City of Lynchburg has a lodging tax of 5.5%. In FY 2001, Lynchburg changed the lodging tax from 5.5% to 5.5% plus \$1 per room per night. Currently, this tax is not capped by the State.



FY 2011 Analysis:

An analysis of monthly collections during the first half of FY 2010 reflects an unexpected increase in lodging tax revenues compared to the FY 2010 Adopted budget. This increase appears to be due to higher enrollment in local colleges and universities, which attracts more visitors. The FY 2011 revenue projection is flat, employing a conservative approach in forecasting consumption tax collections.



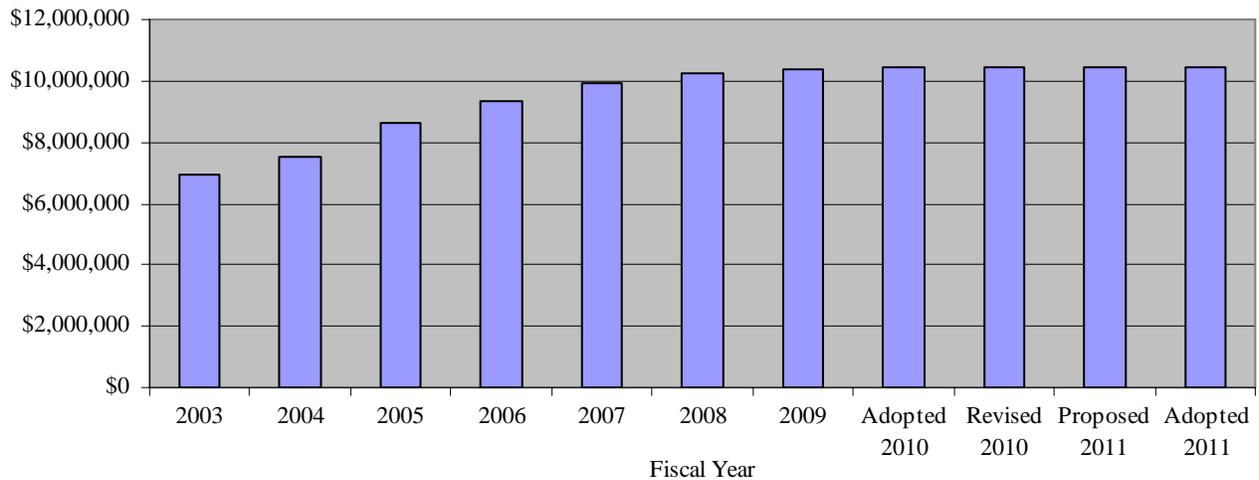
Meals Tax

Fiscal Year	Tax Rate	Amount	Percent Change
2003	6.0%	\$6,953,793	1.2%
2004	6.0%	\$7,519,651	8.1%
2005	6.5%	\$8,618,611	14.6%
2006	6.5%	\$9,358,567	8.6%
2007	6.5%	\$9,947,175	6.3%
2008	6.5%	\$10,264,150	3.2%
2009	6.5%	\$10,399,949	1.3%
2010 Adopted	6.5%	\$10,470,000	0.7%
2010 Revised	6.5%	\$10,470,000	0.0%
2011 Proposed	6.5%	\$10,470,000	0.0%
2011 Adopted	6.5%	\$10,470,000	0.0%

Enabling Legislation and Rate Changes:

Section 58.1-3833 of the Virginia Code allows for a city or county with general taxing powers to levy a meals tax. In 2005, Lynchburg raised the meals tax by one-half percent. There is no State cap.

**Meals Tax
FY 2003 through FY 2011**



FY 2011 Analysis:

Revenue projections for FY 2010, when compared to FY 2009 Actual, are expected to increase slightly based on the growth of Liberty University and the increased cost of prepared meals. Meals tax revenue in FY 2011 is projected to remain flat due to the slight decline in Sales Tax and a very slow recovery from the recession.



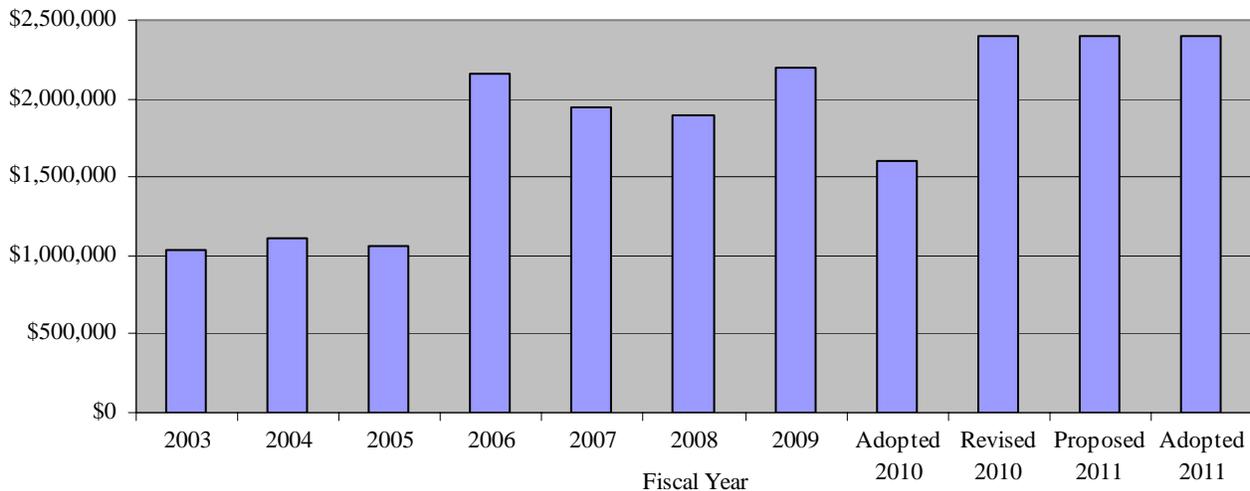
Ambulance Service Fees

Fiscal Year	Fee Schedule	Amount	Percent Change
2003	See Below	\$1,038,639	(5.3%)
2004	See Below	\$1,112,069	7.1%
2005	See Below	\$1,061,923	(4.5%)
2006	See Below	\$2,155,876	103.0%
2007	See Below	\$1,938,536	(10.1%)
2008	See Below	\$1,900,243	(2.0%)
2009	See Below	\$2,197,504	15.6%
2010 Adopted	See Below	\$1,600,000	(27.2%)
2010 Revised	See Below	\$2,400,000	50.0%
2011 Proposed	See Below	\$2,400,000	0.0%
2011 Adopted	See Below	\$2,400,000	0.0%

Enabling Legislation and Rate Changes:

Section 32.1-11.14 of the Virginia Code enables localities to charge for ambulance services. The City of Lynchburg has five different rates for these services. The first two are grouped under the classification of Basic Life Service. If, under this service, the incident is classified as an emergency, the fee is \$350. In addition to this base charge, there shall be a charge of \$8 for each mile the patient is transported. If it is classified as a non-emergency, then it will cost \$325. The other three rates are grouped under the classification of Advanced Life Support. If, under this service, the incident is classified as an emergency, the fee is \$450; if it is a non-emergency the fee is \$425. A fee of \$575 is charged if three or more different medications combined with at least one Advanced Life Support procedure are administered.

**Ambulance Service Fees
FY 2003 through FY 2011**



FY 2011 Analysis:

Projected ambulance service fees in FY 2010 and FY 2011 are based on actual collections in the first half of FY 2010. In Spring 2009, the City negotiated a contract with a new vendor to collect these fees with successful results.



Revenue Detail	Actual FY 2009	Adopted FY 2010	Revised FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
NON-DEDICATED REVENUE					
General Property Taxes					
Current Real Property	\$47,380,606	\$51,164,921	\$51,487,273	\$52,001,792	\$52,001,792
Real Property Tax Relief Program	(1,040,318)	(715,147)	(715,147)	(715,147)	(715,147)
Real Property Housing Rehab Program		(420,826)	(480,000)	(480,000)	(480,000)
Allowance for Uncollectible Real Property		(1,023,298)	(1,029,746)	(1,040,036)	(1,040,036)
Delinquent Real Property Taxes	1,010,651	650,000	700,000	700,000	700,000
Current Public Service Corporation (PSC)	2,092,537	2,000,000	2,156,958	2,000,000	2,000,000
Penalty PSC Taxes	1,264	0	68,000	0	0
Current Personal Property - Local portion	13,895,531	12,357,017	13,918,416	13,918,416	13,918,416
Delinquent Personal Property Tax	989,837	993,433	993,433	993,433	993,433
Allowance for Uncollectible Personal Property		(370,711)	(417,552)	(417,552)	(417,552)
Penalty on Delinquent Tax	514,099	450,000	450,000	450,000	450,000
Interest on Delinquent Taxes	244,280	200,000	200,000	200,000	200,000
Miscellaneous General Property Taxes	4,982	3,000	7,515	2,000	2,000
Total General Property Taxes	\$65,093,469	\$65,288,389	\$67,339,150	\$67,612,906	\$67,612,906
Other Local Taxes					
Local Sales Tax	\$13,050,834	\$12,468,277	\$12,846,700	\$12,694,401	\$12,694,401
Consumer Utility Tax - Electric	3,830,068	3,757,100	3,757,100	3,757,100	3,757,100
Consumer Utility Tax - Gas	629,496	607,482	607,482	607,482	607,482
Communications Sales and Use Tax	3,537,283	3,492,000	3,554,274	3,600,000	3,600,000
Right of Way Fees	279,697	270,567	285,000	243,000	243,000
Business License Tax	7,271,043	6,856,103	6,769,360	6,769,360	6,769,360
Allowance for Uncollectible Business License		(191,971)	(189,542)	(189,542)	(189,542)
Electric Consumption Tax ¹	319,842	324,580	324,580	324,580	324,580
Gas Consumption Tax ¹	33,906	30,410	30,410	30,410	30,410
Delinquent Business License Tax	53,795	80,000	0	0	0
Penalty on Business License Tax	68,127	40,000	45,000	40,000	40,000
Motor Vehicle Licenses	1,395,208	1,413,142	1,413,142	1,413,142	1,413,142
Delinquent Motor Vehicle Licenses	177,584	75,000	150,000	150,000	150,000
Bank Stock Tax	500,385	375,000	375,000	375,000	500,000
Recordation Tax - City	387,392	400,000	400,000	400,000	400,000
Probate Tax	14,441	15,000	15,000	15,000	15,000
Tobacco Tax	1,044,465	1,000,000	1,000,000	1,000,000	1,000,000
Amusement Tax	400,835	408,000	514,524	514,524	514,524
Penalty/Interest - Amusement Tax	7,950	1,500	2,000	1,500	1,500
Lodging Tax	1,742,232	1,698,848	1,777,363	1,777,363	1,777,363
Penalty/Interest - Lodging Tax	8,405	3,000	3,000	3,000	3,000
Meals Tax	10,399,949	10,470,000	10,470,000	10,470,000	10,470,000
Penalty/Interest - Meals Tax	50,146	41,820	60,000	50,000	50,000
Franchise License Tax MCI	0	4,027	0	0	0
Franchise License Tax Sprint	500	500	0	0	0
Total Other Local Taxes	\$45,203,583	\$43,640,385	\$44,210,393	\$44,046,320	\$44,171,320

¹ Formerly referred to as a business license tax.



<i>Revenue Detail</i>	Actual	Adopted	Revised	Manager's	Adopted
	FY 2009	FY 2010	FY 2010	Proposed	FY 2011
				FY 2011	FY 2011
NON-DEDICATED REVENUE (continued)					
<u>Permits, Privilege Fees, and Licenses</u>					
Animal Licenses	\$25,147	\$16,000	\$20,000	\$20,000	\$20,000
Land Disturbing Fees	15,960	18,000	18,000	18,000	18,000
Transfer Fees	1,653	1,600	1,600	1,600	1,600
Site Plans - Planning	17,044	15,000	15,000	17,000	17,000
Building Plan Review	25,470	29,340	26,000	26,000	26,000
Conditional Use Permits	3,580	1,100	6,000	6,000	6,000
Re-Zoning Fees - Planning	2,299	1,250	6,000	7,200	7,200
Subdivision Plats	7,410	5,000	7,000	8,000	8,000
Inspection Permit Fee - Building	347,365	375,000	300,000	300,000	300,000
Inspection Permit Fee - Signs	7,131	8,625	7,000	7,500	7,500
Demolition Fees	12,314	13,000	13,000	13,000	13,000
False Alarm Assessment and Permit Fees	127,521	95,000	100,000	100,000	100,000
Rental Initial Inspection Fee	6,200	6,750	3,000	3,000	3,000
Rental Inspection Fee - Annual/Periodic	1,250	1,800	21,200	42,000	42,000
Concealed Weapons Permits	14,522	13,000	13,000	13,000	13,000
Taxicab Application Fees	4,350	4,200	4,200	3,500	3,500
Elevator Administration Fee	22,092	31,000	22,500	22,500	22,500
Miscellaneous Permits, Privilege Fees, and Licenses	8,641	8,725	5,800	5,800	5,800
Total Permits, Privilege Fees, and Licenses	\$649,949	\$644,390	\$589,300	\$614,100	\$614,100
<u>Fines and Forfeitures</u>					
Court Fines and Forfeitures	\$505,323	\$450,000	\$450,000	\$450,000	\$450,000
Criminal Court Fees	22,569	20,000	20,000	20,000	20,000
Total Fines and Forfeitures	\$527,892	\$470,000	\$470,000	\$470,000	\$470,000
<u>Revenue from Use of Money and Property</u>					
Interest on Investments	\$443,539	\$123,150	\$243,916	\$221,000	\$221,000
Interest - City Capital	270,310	111,000	152,741	37,400	37,400
Interest - School Capital	54,854	0	1,854	0	0
Interest - School Operating	58,778	0	0	0	0
Interest - Health Insurance	12,227	6,413	10,128	10,128	10,128
Interest - Other Post Employment Benefits (OPEB)	10,638	4,838	19,320	19,320	19,320
Interest - Market Value Gain/Loss	(180,484)	0	0	0	0
Interest - State Non-Arbitrage Program (SNAP) Income	154,533	39,750	18,375	0	0
Interest on Skybox Loan	2,938	2,111	1,500	1,500	1,500
General Government Property Rent	250,678	240,000	236,000	22,000	22,000
Public Safety Property Rent	30,464	30,464	30,464	30,464	30,464
Public Works Property Rent	7,650	6,500	6,500	6,500	6,500
Health Department Property Rent	100,000	100,000	100,000	100,000	100,000
Waste Management Facility Rent	0	12,000	12,000	12,000	12,000
Cultural and Recreation Property Rent	37,800	0	15,000	15,000	15,000
Property Rental Stadium	150	1,500	1,500	1,500	1,500
Property Rental Market	93,577	87,000	87,000	90,000	90,000
Property Rental Market - Penalty and Interest	194	0	0	0	0
Total Revenue from Use of Money and Property	\$1,347,846	\$764,726	\$936,298	\$566,812	\$566,812



<i>Revenue Detail</i>	Actual FY 2009	Adopted FY 2010	Revised FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
NON-DEDICATED REVENUE (continued)					
<u>Charges for Services</u>					
Collection and Tax Lien Fees	\$16,468	\$25,000	\$25,000	\$25,000	\$25,000
DMV Administration Fee	84,965	50,000	80,000	80,000	80,000
DMV Select Agency	11,394	7,500	10,000	10,000	10,000
Payroll Deduction Fees	9,830	9,500	9,500	9,500	9,500
Fees for Court Officers	7,244	7,244	7,244	7,244	7,244
Commonwealth Attorney Fees	3,715	3,700	3,700	3,700	3,700
Fire Prevention Fees	1,150	2,350	2,350	2,350	2,350
Ambulance Service Fees	2,197,504	1,600,000	2,400,000	2,400,000	2,400,000
Delinquent Ambulance Bills > 120 days	117,157	200,000	200,000	200,000	200,000
Sale of GIS Products	6,391	5,000	5,000	6,800	6,800
Charges for Demolition	5,913	5,000	5,000	5,000	5,000
Wards Crossing West	104,792	104,800	104,800	104,800	104,800
Residential Disposal - Decals	514,316	460,000	509,000	500,000	500,000
Residential Disposal - Tags - City	8,349	10,000	10,000	10,000	10,000
Residential Disposal - Tags - Vendor	288,302	350,000	275,000	275,000	275,000
Mixed Paper Recycling	40,647	40,000	0	0	0
Miscellaneous Charges for Services	7,559	3,000	5,000	5,000	5,000
Total Charges for Services	\$3,425,696	\$2,883,094	\$3,651,594	\$3,644,394	\$3,644,394
<u>Revenue from the Commonwealth State Non-Categorical Aid</u>					
Rolling Stock Taxes	\$86,915	\$79,424	\$80,000	\$80,000	\$80,000
Deeds of Conveyance	104,605	120,000	120,000	120,000	120,000
Recordation Taxes	183,132	140,000	140,000	140,000	116,000
Auto Rental Tax - DMV	162,118	150,000	160,000	160,000	160,000
Personal Property Tax Relief	5,543,584	5,543,584	5,543,584	5,543,584	5,543,584
Mobile Home Titling Taxes	6,792	5,000	7,000	5,000	5,000
Total State Non-Categorical Aid	\$6,087,146	\$6,038,008	\$6,050,584	\$6,048,584	\$6,024,584
<u>Revenue from Lynchburg City Schools</u>					
Governor's School Debt	\$32,758	\$31,022	\$31,890	\$31,022	\$31,022
Lottery Proceeds for School Debt	545,442	590,000	246,500	141,440	0
Total from Lynchburg City Schools	\$578,200	\$621,022	\$278,390	\$172,462	\$31,022
<u>Miscellaneous Non-Dedicated</u>					
Payment in Lieu of Tax - Westminster	\$49,896	\$50,000	\$50,000	\$50,000	\$50,000
Drop-Off Recycling	32,792	25,000	25,000	25,000	25,000
Payment in Lieu of Tax - LRHA	35,404	30,000	30,000	30,000	30,000
Credit Card Rebate	0	25,000	30,000	30,000	30,000
Regional Services Authority Start-up	110,637	0	0	0	0
Sale of Real Property	38,300	0	70,000	0	0
Miscellaneous Revenue	137,935	109,000	107,800	108,900	108,900
Total Miscellaneous Non-Dedicated	\$404,964	\$239,000	\$312,800	\$243,900	\$243,900
TOTAL NON-DEDICATED REVENUES	\$123,318,745	\$120,589,014	\$123,838,509	\$123,419,478	\$123,379,038



Revenue Detail	Actual FY 2009	Adopted FY 2010	Revised FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
DEDICATED REVENUE					
Charges for Services					
Network Services - Schools Share	\$99,212	\$100,962	\$100,962	\$95,240	\$95,240
Excess Fees for Clerk of Court	19,912	89,525	65,708	40,000	40,000
Document Reproduction Costs	13,284	26,667	15,000	15,000	15,000
Legal Service Charges - Schools	20,000	20,000	20,000	20,000	20,000
Probation Supervision Fee	10,781	30,000	15,000	15,000	15,000
Police - Schools DARE Program	106,594	125,000	125,000	125,000	125,000
Police Report Sales	10,310	12,000	12,000	11,000	11,000
Sheriff's Fee Courtroom Services	114,636	85,000	110,000	110,000	110,000
Engineering Service Charges	0	80,000	0	0	0
Building Maintenance - Other	25,355	5,000	5,000	5,000	5,000
Juvenile Service Providers	617,329	685,499	685,499	722,817	722,817
Library Fines and Fees	81,503	94,000	94,000	90,000	90,000
Lost/Damaged Library Property	6,480	14,000	14,000	13,000	13,000
Law Library Fees	66,386	60,000	60,000	60,000	60,000
Delinquent Library Charges	18,558	0	8,000	8,000	8,000
Point of Honor Admission	10,453	9,000	9,000	5,500	5,500
Old Courthouse Admission	21,505	12,000	15,000	15,000	15,000
CDBG Administration Charges	38,640	40,000	0	0	0
PIER Outside Contract Agreements	25,500	25,500	25,500	25,500	25,500
PIER Internal Contract Agreements	0	52,500	100,000	50,000	50,000
Abandoned Vehicle Reimbursements	0	2,000	0	0	0
Weed Ordinance Program	22,593	8,000	20,000	21,420	21,420
Total Charges for Services	\$1,329,031	\$1,576,653	\$1,499,669	\$1,447,477	\$1,447,477
Recreation Revenue					
Swimming Pool Fees	\$23,434	\$27,000	\$27,000	\$27,000	\$27,000
City-Wide Centers	0	0	0	64,260	64,260
Neighborhood Centers	0	0	0	35,490	35,490
Aquatics	15,976	15,000	15,000	16,800	16,800
Recreation General Administration	8,193	5,000	5,000	5,250	5,250
Arts	21,491	30,000	30,000	0	0
Athletics	88,713	87,000	87,000	94,500	94,500
Park Services	34,780	32,000	32,000	34,650	34,650
Youth and Neighborhood Services	22,299	18,000	18,000	0	0
Senior	61,203	45,000	45,000	0	0
Business Services	15,937	14,000	14,000	15,750	15,750
Naturalist Program	17,451	22,000	22,000	21,000	21,000
Community Market Co-Op Program	67,718	66,000	66,000	69,300	69,300
Total Recreation Revenue	\$377,195	\$361,000	\$361,000	\$384,000	\$384,000
Parking Revenue					
Downtown Parking Deck Lease	\$0	\$0	\$0	\$65,000	\$65,000
Hourly Parking Fees	1,520	0	3,000	58,500	58,500
Permit Parking Fees	565	800	1,200	199,250	199,250
Fines	84,703	100,000	100,000	109,000	109,000
Total Parking Revenue	\$86,788	\$100,800	\$104,200	\$431,750	\$431,750



<i>Revenue Detail</i>	Actual FY 2009	Adopted FY 2010	Revised FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
DEDICATED REVENUE (continued)					
<u>Miscellaneous Revenue</u>					
Indirect Costs and Services - Water	\$874,588	\$756,622	\$756,622	\$856,622	\$856,622
Indirect Costs and Services - Sewer	484,275	327,285	327,285	442,928	442,928
Indirect Costs and Services - WWTP	368,419	357,934	357,934	342,291	342,291
Indirect Costs and Services - Airport	81,716	109,950	109,950	113,880	113,880
Indirect Costs and Services - Detention Home	237,532	242,093	242,093	231,250	231,250
Regional Services Authority Capital Return	547,331	0	500,000	500,000	500,000
Friends of the Lynchburg Library	14,500	14,500	14,500	14,500	24,500
Contributions to the Library	0	0	0	0	10,000
Special Welfare Recoupment	69,268	30,000	30,000	30,000	30,000
Reimbursement - Point of Honor Carriage House	30,699	45,000	45,000	45,000	45,000
Contributions to the Lynchburg Museum System	0	0	0	21,200	21,200
Digg's Trust	37,284	28,844	43,000	23,400	23,400
Other Miscellaneous Dedicated Revenue	4,283	2,150	2,000	2,400	2,400
Total Miscellaneous Revenue	\$2,749,895	\$1,914,378	\$2,428,384	\$2,623,471	\$2,643,471
<u>Revenue from the Commonwealth</u>					
<u>State Categorical Aid-State Shared Expenditures</u>					
Commissioner of the Revenue	\$163,719	\$179,271	\$181,952	\$80,158	\$163,785
Treasurer	108,924	122,432	112,386	69,173	92,995
Registrar/Electoral Board	78,710	61,775	61,178	61,178	55,060
Clerk of Court	469,795	526,190	465,383	398,278	494,975
Sheriff	1,192,104	1,264,146	1,168,836	1,074,847	1,137,382
Commonwealth Attorney	915,110	940,476	888,921	771,659	878,349
Total Categorical Aid-State Shared Expenditures	\$2,928,362	\$3,094,290	\$2,878,656	\$2,455,293	\$2,822,546
<u>Intergovernmental: State Categorical Aid</u>					
Juvenile Correction Block Grant	\$337,530	\$333,201	\$333,201	\$316,541	\$316,541
Recovery - E-911 Wireless	278,147	240,000	270,000	270,000	170,000
Highway Maintenance	7,258,452	7,429,120	7,084,498	7,234,051	7,234,051
Urban Project Overhead Allowance	266,556	0	10,000	10,000	10,000
Local Law Enforcement Funding (House Bill 599)	3,353,513	3,353,513	3,073,537	2,729,290	3,037,195
Social Services Administration	1,958,526	1,275,241	1,275,241	1,868,580	1,868,580
Social Services Finance Unit	111,684	193,169	193,169	151,809	151,809
Social Services Program State	4,417,397	3,984,732	3,984,732	3,825,153	3,825,153
Financial Assistance - Public Library	183,916	183,916	171,197	171,197	150,823
Health Department Funding	91,828	0	0	0	0
Human Services Lease	5,384	0	0	0	0
Local Aid to Virginia - Contra Revenue	(485,892)	(487,441)	(487,441)	0	(600,000)
Miscellaneous State Categorical Aid	106	5,000	0	0	0
Total State Categorical Aid	\$17,777,147	\$16,510,451	\$15,908,134	\$16,576,621	\$16,164,152



<i>Revenue Detail</i>	Actual FY 2009	Adopted FY 2010	Revised FY 2010	Manager's Proposed FY 2011	Adopted FY 2011
DEDICATED REVENUE (continued)					
<u>Intergovernmental: Federal Categorical Aid Pass Thru</u>					
Emergency Service/Prepared	(\$7,738)	\$0	\$0	\$0	\$0
Urban Project Overhead Allowance	51,387	0	40,000	40,000	40,000
Build America Bond Interest Subsidy - City	0	0	30,665	65,711	65,711
Build America Bond Interest Subsidy - Schools	0	0	106,385	227,969	227,969
Social Services Administration	2,881,088	3,554,238	3,554,238	2,881,991	2,989,347
Social Services Finance Unit	294,074	268,453	268,453	219,998	219,998
Social Services Programs	2,463,286	2,270,588	2,070,588	2,140,610	2,140,610
Human Services Capital Lease	134,356	124,390	124,390	126,437	126,437
Human Services Buildings and Grounds	24,757	32,000	25,000	25,000	25,000
Indirect Cost Reimbursement	412,088	357,000	412,000	412,000	412,000
ARRA - Social Services Programs	22,042	0	200,000	293,639	293,639
Total Federal Categorical Aid Pass Thru	\$6,275,340	\$6,606,669	\$6,831,719	\$6,433,355	\$6,540,711
<u>Interfund Transfers</u>					
Museum Fund Closeout	\$14,082	\$0	\$0	\$0	\$0
Law Library Closeout	41,676	0	0	0	0
Solid Waste Management Fund Closeout	6,281,751	0	0	0	0
CSA Operations	0	0	21,342	0	0
City Capital	112,557	102,241	191,297	0	0
Total Interfund Transfers	\$6,450,066	\$102,241	\$212,639	\$0	\$0
TOTAL DEDICATED REVENUES	\$37,973,824	\$30,266,482	\$30,224,401	\$30,351,967	\$30,434,107
TOTAL GENERAL FUND REVENUES	\$161,292,569	\$150,855,496	\$154,062,910	\$153,771,445	\$153,813,145



	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
DEPARTMENTAL EXPENDITURE DETAIL SUMMARY					
General Government					
Internal Audit	\$140,970	\$149,603	\$134,672	\$134,672	\$134,672
Communications and Marketing	412,084	401,343	348,403	348,403	398,403
Customer Service Center	132,642	130,212	123,921	123,921	123,921
Local Government Channel	171,491	149,954	140,677	140,677	140,677
Council Manager Offices	1,143,966	1,026,315	915,703	1,020,108	1,020,108
Parking Management	0	147,514	0	0	0
City Attorney	584,401	597,553	527,279	607,325	607,325
Self-Insurance (Risk Management)	757,504	602,473	529,553	602,539	602,539
State Treasurer	130,412	145,161	143,186	143,186	145,161
Commissioner of Revenue State/Local	751,857	795,428	758,314	758,314	792,540
City Assessor	747,919	798,112	718,082	718,082	718,082
Director of Finance	585,949	581,726	492,720	507,720	507,720
Billing & Collections	1,144,934	1,282,025	1,248,251	1,248,251	1,248,251
Procurement	282,116	268,190	210,676	210,676	210,676
Accounting	902,082	940,031	781,108	801,108	801,108
Budget	151,149	154,124	154,555	154,555	154,555
Human Services - Finance	592,603	600,396	500,350	500,350	500,350
Human Resources	725,854	745,883	659,120	674,120	674,120
Occupational Health Services	136,319	131,033	123,385	127,065	127,065
Application Services	1,111,510	1,129,930	1,100,642	1,126,376	1,277,376
Network Services	1,300,673	1,275,635	1,162,672	1,302,672	1,302,672
IT Administration	483,778	541,380	388,758	439,383	439,383
IT Projects	100,746	0	0	0	0
GIS	0	0	260,092	260,092	260,092
Registrar	155,584	146,096	142,669	142,669	142,669
Electoral Board	109,180	57,799	39,115	39,115	39,115
TOTAL GENERAL GOVERNMENT	\$12,755,723	\$12,797,916	\$11,603,903	\$12,131,379	\$12,368,580
Judicial Administration					
Circuit Court - Judge	\$148,023	\$172,291	\$155,113	\$157,113	\$157,113
General District Court	71,896	65,796	59,105	62,550	62,550
Juvenile & Domestic District Court	13,908	14,541	14,541	14,541	14,541
24th Court Service Unit	570	1,813	1,632	1,632	1,632
Commonwealth Attorney	1,341,176	1,393,467	1,322,284	1,322,284	1,472,257
Magistrates Office	3,333	3,256	2,893	2,893	2,893
Circuit Court - Clerk	782,406	770,754	744,058	744,058	744,058
Sheriff	2,014,153	2,102,581	1,883,368	1,883,368	1,961,974
TOTAL JUDICIAL ADMINISTRATION	\$4,375,465	\$4,524,499	\$4,182,994	\$4,188,439	\$4,417,018
Public Safety					
Police Operations	\$13,767,940	\$13,957,293	\$12,517,394	\$13,597,289	\$13,731,842
Animal Warden	314,449	319,421	287,589	287,589	311,577
Emergency Services	2,239,111	2,333,607	2,099,819	2,297,798	2,297,798
Fire Operations and EMS	14,535,097	14,826,015	13,381,791	14,319,555	14,526,512
TOTAL PUBLIC SAFETY	\$30,856,597	\$31,436,336	\$28,286,593	\$30,502,231	\$30,867,729



	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
DEPARTMENTAL EXPENDITURE DETAIL SUMMARY					
Public Works					
Public Works Administration	\$681,773	\$715,935	\$716,614	\$716,614	\$716,614
Engineering Division	0	0	3,274,826	3,334,826	3,366,392
Street Maintenance	5,277,547	4,226,581	3,447,455	3,449,955	3,449,955
Snow Removal	242,798	251,459	189,413	245,853	245,853
Refuse	2,676,085	2,480,139	2,302,392	2,302,392	2,302,392
Parks & Grounds Maintenance	2,613,024	2,567,229	2,400,337	2,400,837	2,400,837
Building Maintenance	3,155,012	3,216,048	3,018,123	3,018,123	3,018,123
Human Services Maintenance	228,922	241,754	243,169	243,169	243,169
TOTAL PUBLIC WORKS	\$14,875,161	\$13,699,145	\$15,592,329	\$15,711,769	\$15,743,335
Health and Welfare					
Juvenile Services Administration	\$4,348,218	\$4,312,203	\$3,933,149	\$4,310,741	\$4,310,741
Social Services Administration	6,107,851	6,493,401	5,249,087	5,758,521	6,178,769
Public Assistance	7,219,950	6,563,627	6,530,124	6,530,124	6,530,124
TOTAL HEALTH AND WELFARE	\$17,676,019	\$17,369,231	\$15,712,360	\$16,599,386	\$17,019,634
Parks, Recreation, and Cultural					
Parks and Recreation	\$2,991,304	\$3,179,065	\$2,977,153	\$3,042,289	\$3,107,725
Public Library	1,594,314	1,636,867	1,472,867	1,527,871	1,628,823
Law Library	24,072	28,770	28,770	28,770	28,770
Museums	380,412	379,228	362,101	362,101	383,028
Point of Honor/Carriage House	41,773	45,000	40,927	40,927	45,000
TOTAL PARKS, RECREATION, AND CULTURAL	\$5,031,875	\$5,268,930	\$4,881,818	\$5,001,958	\$5,193,346
Community Development					
Director and Zoning and Natural Resources	\$845,123	\$833,253	\$310,637	\$458,851	\$458,851
Planning	469,165	363,832	365,517	365,517	365,517
Inspections and Code Enforcement	715,935	728,579	809,897	821,317	789,751
Engineering	4,085,339	3,941,127	0	0	0
GIS	184,596	279,143	0	0	0
Economic Development	370,022	344,664	307,911	307,911	307,911
Parking Management	0	0	431,750	431,750	431,750
TOTAL COMMUNITY DEVELOPMENT	\$6,670,180	\$6,490,598	\$2,225,712	\$2,385,346	\$2,353,780
OPERATING - DEPARTMENTAL	\$92,241,020	\$91,586,655	\$82,485,709	\$86,520,508	\$87,963,422
OPERATING - NON-DEPARTMENTAL	\$11,276,878	\$9,597,505	\$12,950,729	\$13,019,032	\$13,188,821
TRANSFER TO OTHER FUNDS	\$2,539,571	\$1,311,322	\$1,244,396	\$1,244,396	\$1,240,667
DEBT SERVICE - GENERAL FUND	\$7,748,136	\$8,685,048	\$8,800,144	\$8,800,144	\$8,800,144
DEBT SERVICE - SCHOOLS	\$5,526,371	\$6,552,852	\$7,222,354	\$7,222,354	\$7,222,354
SCHOOLS	\$32,150,370	\$32,442,103	\$29,197,893	\$32,442,103	\$31,942,103
GREATER LYNCHBURG TRANSIT COMPANY	\$882,030	\$1,128,884	\$1,015,999	\$1,128,884	\$1,128,884
RESERVES	\$0	\$220,000	\$2,470,000	\$2,970,000	\$2,541,781
TRANSFER TO CAPITAL - GENERAL FUND	\$6,172,238	\$2,820,617	\$6,358,881	\$6,358,881	\$6,358,881
TRANSFER TO CAPITAL - SCHOOLS	\$162,010	\$0	\$1,941,733	\$1,941,733	\$1,941,733
TOTAL EXPENDITURES, RESERVES & TRANSFERS	\$158,698,624	\$154,344,986	\$153,687,838	\$161,648,035	\$162,328,790



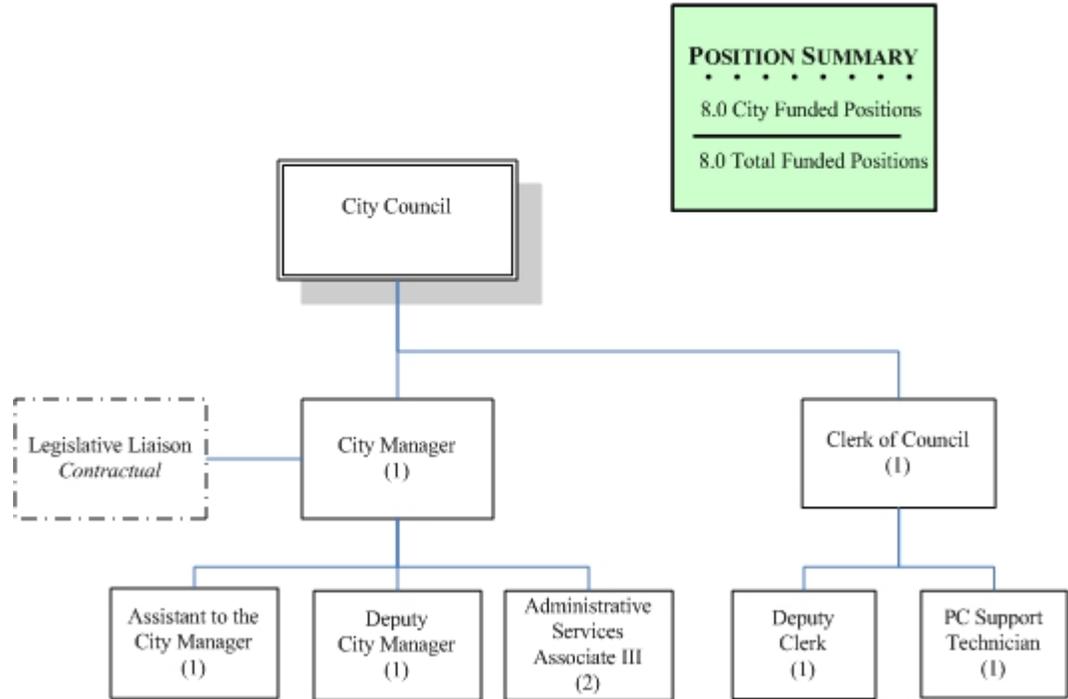
HISTORICAL FACT:

Lynchburg was named for its founder, John Lynch, who at the age of 17 started a ferry service across the James River in 1757. He was also responsible for Lynchburg's first bridge across the river, which replaced the ferry in 1812.





COUNCIL/MANAGER OFFICES





Council/Manager Offices including Parking Division

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	9.0	9.0	8.0	8.0	8.0
City Funded Temporary	0.0	1.5	0.0	0.0	0.0
TOTAL FTE	9.0	10.5	8.0	8.0	8.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$721,918	\$742,784	\$628,231	\$628,231	\$628,231
Employee Benefits	206,848	230,993	214,531	214,531	214,531
Contractual Services	92,211	93,899	6,924	91,554	91,554
Other Charges	122,989	106,153	66,017	85,792	85,792
TOTAL CITY COST	\$1,143,966	\$1,173,829	\$915,703	\$1,020,108	\$1,020,108



Council/Manager Offices. Consists of the City Council, Clerk of Council, City Manager and Legislative Liaison. The Council is the City's legislative body elected to accomplish City Charter-prescribed responsibilities. The Clerk is appointed by City Council to maintain and preserve the official records of City Council proceedings. The City Manager is the City's chief administrative officer who oversees the day-to-day operations of the City and who studies and proposes solutions for community needs and programs; prepares the annual budget; interprets City Council actions for operating departments, outside organizations, and citizens; and provides leadership in executing Council policies.

In FY 2009, a Parking Manager position was added in the Council/Manager Offices; as part of the FY 2011 Manager's Proposed budget, the Department of Parking Management was established to encompass all parking-related expenditures and revenues.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	9	8	8	8	8
TOTAL FTE	9	8	8	8	8
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$721,918	\$630,736	\$628,231	\$628,231	\$628,231
Employee Benefits	206,848	202,832	214,531	214,531	214,531
Contractual Services	92,211	93,854	6,924	91,554	91,554
Other Charges	122,989	98,893	66,017	85,792	85,792
TOTAL CITY COST	\$1,143,966	\$1,026,315	\$915,703	\$1,020,108	\$1,020,108

Council/Manager Offices Budget Description

The Manager's Proposed FY 2011 Council/Manager Offices budget of \$1,020,108 represents a 0.6% decrease of \$6,207 as compared to the Adopted FY 2010 budget of \$1,026,315.

Significant changes compared to the Adopted FY 2010 budget include:

- \$9,194 increase in Salaries and Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$2,300 decrease in Contractual Services for legal notices advertising City Council public hearings.
- \$13,101 decrease in Other Charges for training and conferences for Council/Manager/Clerk professional development.
 - Service Impact: Staff will forgo attendance at training and conferences that might be tied to professional certifications and there will be fewer opportunities to participate in information sharing and collaboration with other Cities/Counties. Alternatively, staff will pay for training out of pocket.
- \$147,514 overall decrease as a result of transferring the Parking Division to a newly created Parking Fund.

The Proposed FY 2011 Council/Manager Offices budget was adopted by City Council without changes.



Council/Manager Offices – Parking Division. In FY 2009, a Parking Manager position was added in the Council/Manager Offices; as part of the FY 2010 Manager’s Proposed budget, a Parking Division was created. In FY 2011, the Department of Parking Management was established to encompass all parking-related expenditures and revenues; the department budget is located in the Community Development section of this document.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	0.0	1.0	0.0	0.0	0.0
City Funded Temporary	0.0	1.5	0.0	0.0	0.0
TOTAL FTE	0.0	2.5	0.0	0.0	0.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$0	\$112,048	\$0	\$0	\$0
Employee Benefits	0	28,161	0	0	0
Contractual Services	0	45	0	0	0
Other Charges	0	7,260	0	0	0
TOTAL CITY COST	\$0	\$147,514	\$0	\$0	\$0

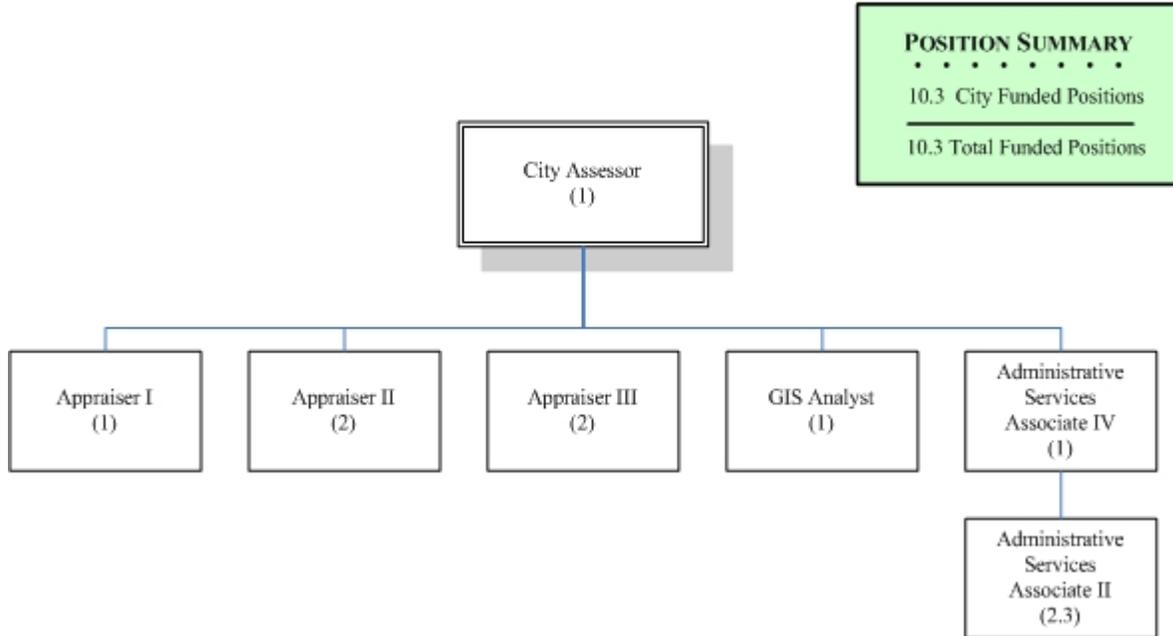
Council/Manager Offices – Parking Division Budget Description

The Manager’s Proposed FY 2011 Council/Manager Offices – Parking Division budget of \$0 represents a 100.0% decrease compared to the Adopted FY 2010 budget of \$147,514.

The Proposed FY 2011 Council/Manager Offices – Parking Division budget was adopted by City Council without changes.



CITY ASSESSOR





City Assessor. Maintains and updates ownership and physical characteristic records for approximately 31,500 property parcels and provides assessments for the properties. New construction and additions to properties are recorded and valued by the appraisers. The City Assessor also administers the Land Use Program and the Real Estate Rehabilitation Program. Staff provides assistance to the public, other City departments, and various local, state and federal agencies. This department has a wealth of information and resources that are utilized by those in the real estate profession, economic development, and related fields.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	12.0	12.0	10.0	10.0	10.0
City Funded Part-Time	0.0	0.0	0.3	0.3	0.3
TOTAL FTE	12.0	12.0	10.3	10.3	10.3
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$502,711	\$530,523	\$467,321	\$467,321	\$467,321
Employee Benefits	181,932	209,237	190,585	190,585	190,585
Contractual Services	25,698	24,630	26,100	26,100	26,100
Internal Service Charges	4,579	9,254	5,100	5,100	5,100
Other Charges	32,999	24,468	28,976	28,976	28,976
TOTAL CITY COST	\$747,919	\$798,112	\$718,082	\$718,082	\$718,082

City Assessor Budget Description

The Manager’s Proposed FY 2011 City Assessor budget of \$718,082 represents a 10.0% decrease of \$80,030 as compared to the Adopted FY 2010 budget of \$798,112.

Significant changes compared to the Adopted FY 2010 budget include:

- \$81,854 decrease in Salaries and Employee Benefits reflecting the elimination of one full-time Appraiser III position, the conversion of a full-time Administrative Services Associate II position to part-time, offset by a higher Virginia Retirement System rate.
Service Impact: Eliminating a Senior Appraiser will have a direct impact on revenue. With fewer appraisers, it will be more difficult to accurately assess all property. Converting an Administrative Support Associate to part-time status will affect customer service and data accuracy.
- \$4,154 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$4,508 increase in Other Charges due to a \$10,800 increase in postage to mail the FY 2011 reassessment notices, countered by a \$3,500 decrease for continuing education and training for licensed appraisers and a \$1,500 decrease in fees associated with the Board of Equalization, which only convenes during a reassessment.

The Proposed FY 2011 City Assessor budget was adopted by City Council without changes.



City Assessor Performance Measures

Goal 1:
To achieve a reasonable assessment-to-sale value ratio by assessing all real property within the City fairly and equitably.

Objective:
Completion of the 2011 general reassessment and appeals with values based on real estate market trends and sales.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Assessment-to-Sale Value Ratio as determined by the State Ratio Study.	88%	95%	96%	93%

Analysis of the Data:
The Virginia Department of Taxation conducts this annual assessment/sales ratio study. In odd numbered years, this ratio is expected to be lower because the City reassesses real property biennially. The ratio indicates on average how close the assessment is to the actual market value city wide.

Goal 2:
Assess all real property within the City, fairly and equitably, at fair-market value by having accurate data with a recent on-site inspection.

Objective:
Review property by visiting all improved parcels, measuring buildings, and verifying the data is accurate.

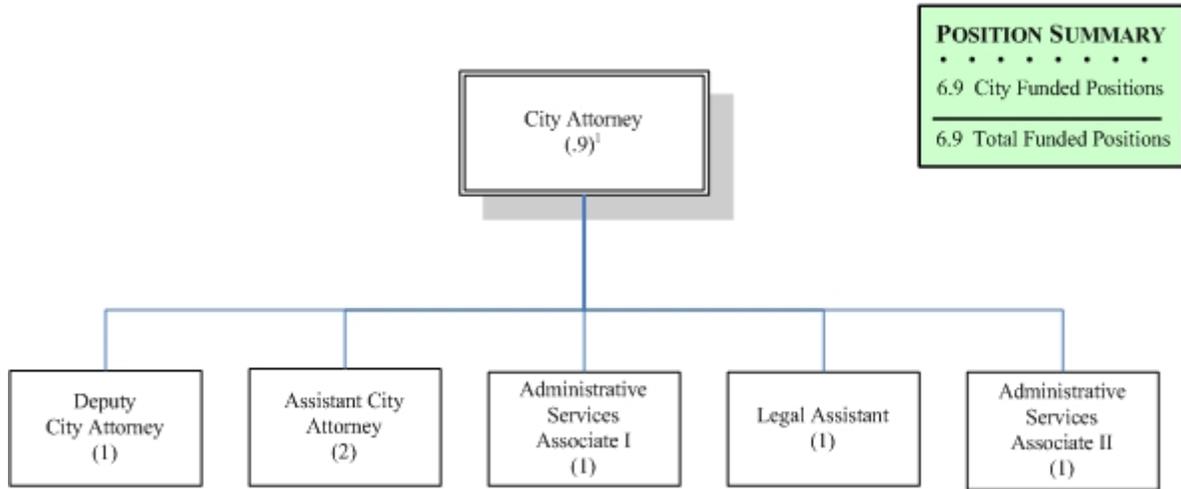
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Property Reviews Completed	78%	90%	84%	95%

Analysis of the Data:
This project is very time consuming. Appraisers remeasure and inspect property to correct data errors as needed. This task is very important toward achieving a high quality reassessment.
The overall pace will slow down in FY 2011 as staff shifts focus towards researching and processing the upcoming reassessment.

Benchmark Localities:
Charlottesville, Danville, Hampton, Norfolk, Richmond, Roanoke



CITY ATTORNEY



¹ Additional 0.1 FTE for the City Attorney is assigned to the Risk Management Budget.



City Attorney. Provides legal services to City Council, the City Manager, City departments and agencies as well as the Lynchburg School Board. Services include rendering formal and informal opinions; recommending appropriate legal changes in the City Code, regulations and policies; advising of changes in law which affect the City; drafting ordinances, resolutions, Charter revisions, proposed legislation, contracts, deeds, leases and other legal documents; handling real estate matters, including necessary title examinations, negotiations and closings; prosecuting and defending lawsuits on behalf of the City; supervising the City’s Risk Management activities and the Self-Insurance Plan; and reviewing legislation which concern the City.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	6.9	6.9	5.9	6.9	6.9
TOTAL FTE	6.9	6.9	5.9	6.9	6.9
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$403,622	\$405,513	\$348,147	\$405,513	\$405,513
Employee Benefits	136,160	149,229	136,321	159,001	159,001
Contractual Services	4,988	3,750	3,750	3,750	3,750
Other Charges	39,631	39,061	39,061	39,061	39,061
TOTAL EXPENDITURES	\$584,401	\$597,553	\$527,279	\$607,325	\$607,325
DEDICATED REVENUES					
Legal Service Charges - Schools	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL DEDICATED REVENUES	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL CITY COST	\$564,401	\$577,553	\$507,279	\$587,325	\$587,325

City Attorney Budget Description

The Manager’s Proposed FY 2011 City Attorney budget of \$607,325 represents a 1.6% increase of \$9,772 as compared to the Adopted FY 2010 budget of \$597,553.

Significant changes compared to the Adopted FY 2010 budget include:

- \$9,772 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.

The Proposed FY 2011 City Attorney budget was adopted by City Council without changes.



Self-Insurance. The Risk Management Program established by City Council effective January 1, 1986, is an alternative to the routine procurement of general liability and automobile liability insurance policies from commercial insurance companies. The program is funded through annual contributions from the General Fund, Utility Funds, Airport Fund, Regional Juvenile Detention Fund and Self-Insurance Fund interest income. The claims placed in this fund are expended in lieu of insurance to settle liability claims filed against the City.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Other Charges	\$757,504	\$602,473	\$529,553	\$602,539	\$602,539
TOTAL CITY COST	\$757,504	\$602,473	\$529,553	\$602,539	\$602,539

Self-Insurance Budget Description

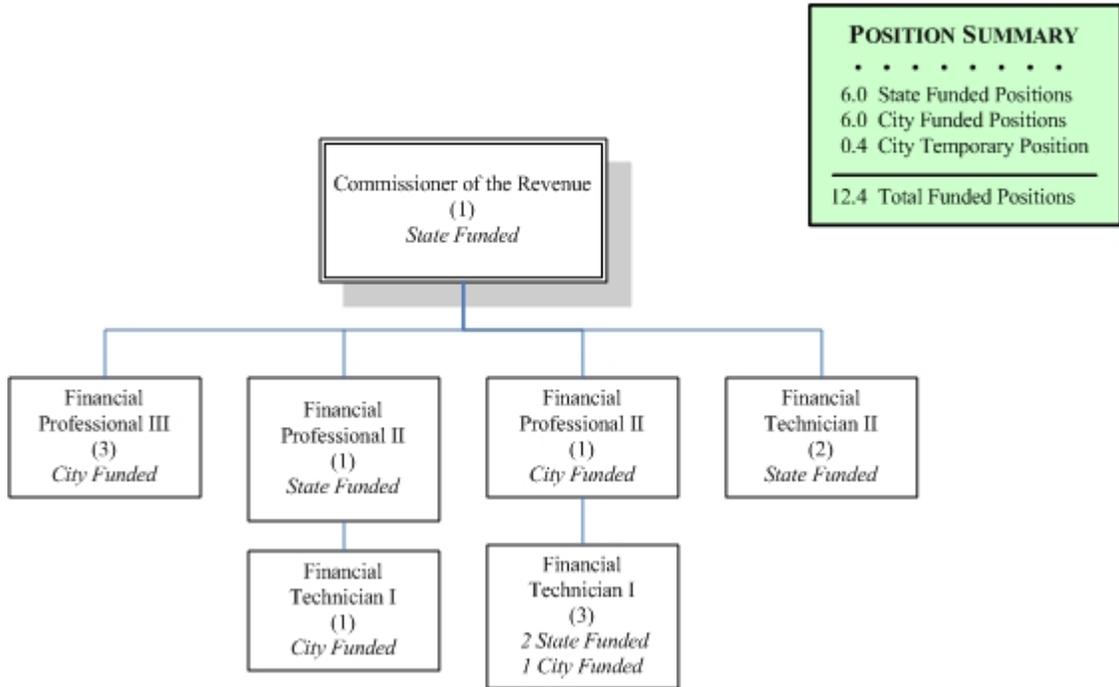
The Manager’s Proposed FY 2011 Self-Insurance budget of \$602,539 represents a minimal increase of \$66 as compared to the Adopted FY 2010 budget of \$602,473.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Self-Insurance budget was adopted by City Council without changes.



COMMISSIONER OF THE REVENUE



POSITION SUMMARY	

6.0	State Funded Positions
6.0	City Funded Positions
0.4	City Temporary Position
<hr/>	
12.4	Total Funded Positions



Commissioner of the Revenue. A State Constitutional Office. Elected by City residents, the Commissioner assesses personal property, machinery/tools, business/professional licenses, bank stock tax, public service corporations, meals, lodging, amusement, and income taxes. The Commissioner prepares and audits State income tax returns, administers tax relief for the elderly, furnishes information on local and State tax issues, and maintains the automotive vehicle license file.

Table with 6 columns: Position Summary, Actual FY 2009, Adopted FY 2010, Department Submitted FY 2011, Manager's Proposed FY 2011, Adopted FY 2011. Rows include Salaries, Employee Benefits, Contractual Services, Other Charges, and Dedicated Revenues.

Commissioner of the Revenue Budget Description

The Manager's Proposed FY 2011 Commissioner of the Revenue budget of \$758,314 represents a 4.7% decrease of \$37,114 as compared to the Adopted FY 2010 budget of \$795,428.

Significant changes compared to the Adopted FY 2010 budget include:

- \$24,613 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time position, a reduction in temporary hours, offset by a higher Virginia Retirement System rate. Service Impact: The reduction in staff will leave this office 21% short on authorized staff.
\$12,801 decrease in Other Charges reflecting a reduction in postage due to the elimination of the File By Exception form. Service Impact: The elimination of the File By Exception form will have a negative impact on the efficiency of personal property taxation.

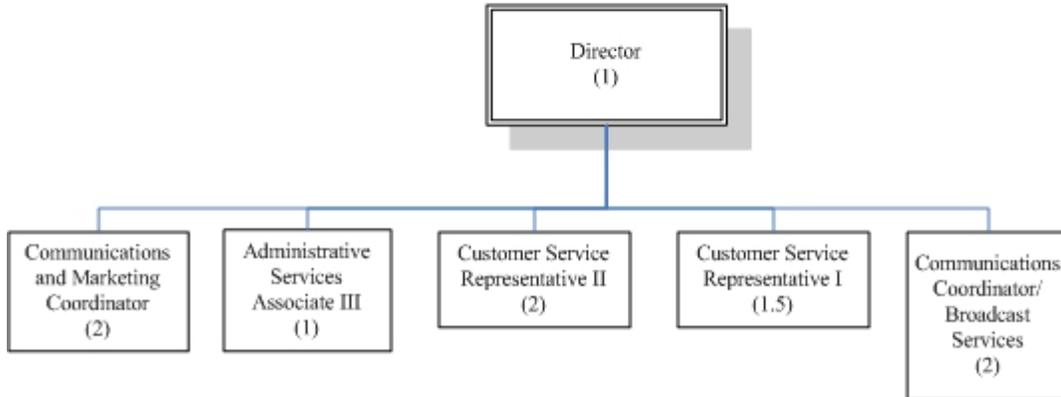
The Proposed FY 2011 Commissioner of the Revenue budget was adopted by City Council with the following change:

- \$34,226 increase in Salaries and Employee Benefits reflecting the restoration of a full-time position.



COMMUNICATIONS AND MARKETING
(including Citizens First Customer Service Center and Local Government Channel)

POSITION SUMMARY
.....
9.5 City Funded Positions
9.5 Total Funded Positions





Communications and Marketing including Citizens First Customer Service Center and Local Government Channel

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	8.00	8.00	8.00	8.00	8.00
City Funded Part-Time	2.04	1.50	1.50	1.50	1.50
TOTAL FTE	10.04	9.50	9.50	9.50	9.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$392,806	\$391,122	\$386,762	\$386,762	\$386,762
Employee Benefits	128,025	142,040	150,319	150,319	150,319
Contractual Services	121,109	117,142	47,563	47,563	97,563
Internal Service Charges	0	0	7,700	7,700	7,700
Other Charges	38,337	31,205	20,657	20,657	20,657
Capital Outlay	35,940	0	0	0	0
TOTAL CITY COST	\$716,217	\$681,509	\$613,001	\$613,001	\$663,001



Communications and Marketing. Focuses on proactive communication with City Council, citizens, employees and others. Efforts are concentrated on public information and assistance for departments and staff, media relations as well as neighborhood, business, Internet/Intranet, LTV Channel 15 and employee communications.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	4	4	4	4	4
TOTAL FTE	4	4	4	4	4
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$198,480	\$202,233	\$202,237	\$202,237	\$202,237
Employee Benefits	70,058	77,308	82,123	82,123	82,123
Contractual Services	114,538	101,500	42,063	42,063	92,063
Internal Service Charges	0	0	7,700	7,700	7,700
Other Charges	29,008	20,302	14,280	14,280	14,280
TOTAL CITY COST	\$412,084	\$401,343	\$348,403	\$348,403	\$398,403

Communications and Marketing Budget Description

The Manager’s Proposed FY 2011 Communications and Marketing budget of \$348,403 represents a 13.2% decrease of \$52,940 as compared to the Adopted FY 2010 budget of \$401,343.

Significant changes compared to the Adopted FY 2010 budget include:

- \$4,819 increase in Salaries and Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$59,437 decrease in Contractual Services attributed to a reduction in advertising, public relations, and software purchases.
 - Service Impact: The decrease will have a significant impact on the department’s ability to take advantage of cooperative marketing opportunities, to readily respond to the organization’s desire for increased citizen communications, and to update current materials. Communications and Marketing uses specialized software in its graphic design and broadcast services divisions. This budget does not allow for the upgrade of any of this software. This could result in staff’s inability to access tools that would improve productivity.
- \$7,700 increase in Internal Service Charges reflecting the transfer of pool cars from Community Development to Communications and Marketing.
- \$6,022 decrease in Other Charges due to reductions in office supplies, subscriptions, training, dues and memberships, and other miscellaneous charges.

The Proposed FY 2011 Communications and Marketing budget was adopted by City Council with the following change:

- ◆ \$50,000 increase in Advertising to restore marketing funds.



Citizens First Customer Service Center. The mission of the Center is to respond to each citizen interaction through the provision of accurate, timely and easily understood information.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	2.00	2.00	2.00	2.00	2.00
City Funded Part-Time	2.04	1.50	1.50	1.50	1.50
TOTAL FTE	4.04	3.50	3.50	3.50	3.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$104,020	\$97,109	\$92,757	\$92,757	\$92,757
Employee Benefits	26,112	29,158	30,087	30,087	30,087
Contractual Services	240	2,642	500	500	500
Other Charges	2,270	1,303	577	577	577
TOTAL CITY COST	\$132,642	\$130,212	\$123,921	\$123,921	\$123,921

Communications and Marketing – Citizens First Customer Service Center Budget Description

The Manager’s Proposed FY 2011 Communications and Marketing – Citizens First Customer Service Center budget of \$123,921 represents a 4.8% decrease of \$6,291 as compared to the Adopted FY 2010 budget of \$130,212.

Significant changes compared to the Adopted FY 2010 budget include:

- \$3,423 decrease in Salaries and Employee Benefits reflecting an adjustment in part-time funding, offset by a higher Virginia Retirement System rate.
Service Impact: The reduction will result in Citizens First not being fully staffed at all times, which will lead to longer hold times for callers and a possible increase in missed calls.
- \$2,142 decrease in Contractual Services attributed to reductions in advertising, printing and binding, and computer maintenance costs.
- \$726 decrease in Other Charges reflecting reductions in office supplies and awards and recognition.

The Proposed FY 2011 Communications and Marketing – Citizens First Customer Service Center budget was adopted by City Council without changes.



Local Government Channel. This cable channel is to enhance the City’s communication program with citizens.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	2
TOTAL FTE	2	2	2	2	2
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$90,306	\$91,780	\$91,768	\$91,768	\$91,768
Employee Benefits	31,855	35,574	38,109	38,109	38,109
Contractual Services	6,331	13,000	5,000	5,000	5,000
Other Charges	7,059	9,600	5,800	5,800	5,800
Capital Outlay	35,940	0	0	0	0
TOTAL CITY COST	\$171,491	\$149,954	\$140,677	\$140,677	\$140,677

Communications and Marketing – Local Government Channel Budget Description

The Manager’s Proposed FY 2011 Communications and Marketing – Local Government Channel budget of \$140,677 represents a 6.2% decrease of \$9,277 as compared to the Adopted FY 2010 budget of \$149,954.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,523 increase in Salaries and Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$8,000 decrease in Contractual Services attributed to a reduction in the use of Contract Labor and the elimination of software purchases.
Service Impact: Communications and Marketing uses specialized software in its graphic design and broadcast services divisions. This budget does not allow for the upgrade of any of this software. This could result in staff’s inability to access tools that would improve productivity.
- \$3,800 decrease in Other Charges reflecting reductions in forms and stationery, audiovisual supplies, dues and memberships, courtesies to guests and miscellaneous other charges.

The Proposed FY 2011 Communications and Marketing – Local Government Channel budget was adopted by City Council without changes.



Communications and Marketing Performance Measures

Goal 1: Ensure citizens receive a timely response from Customer Service Representatives (CSRs) through Citizens First.				
Objective: Maintain call center industry standards for the abandonment rate of 5% or less.				
Performance Measure:				
	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Abandonment rate	Not previously measured	Not previously measured	Not previously measured	5%
Analysis of the Data: This is a new measure that is now available due to an upgrade in the telephone system utilized by Citizens First.				

Goal 2: Provide useful and timely information to the citizens of Lynchburg via the internet.				
Objective: Increase the number of pageviews on www.lynchburgva.gov.				
Performance Measure:				
	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of page views	1,983,183	2,082,342	820,735	2,186,459
Analysis of the Data: Based on a greater emphasis on marketing the City, the department anticipates an increase in pageviews of 5% in FY 2011.				

Goal 3: Produce quality programming on LTV that are both entertaining and informative.				
Objective: Increase the number of original programs produced and broadcast on LTV.				
Performance Measure:				
	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of programs produced	73	80	50	90
Analysis of the Data: LTV, the City's local government channel, was created in FY 2009 and had the ability to focus solely on the production of local government programming. With a year of experience, staff projects an increase in programs to at least 80 annually.				

Benchmark Localities: Hampton, Fairfax, Falls Church, and Roanoke, VA				
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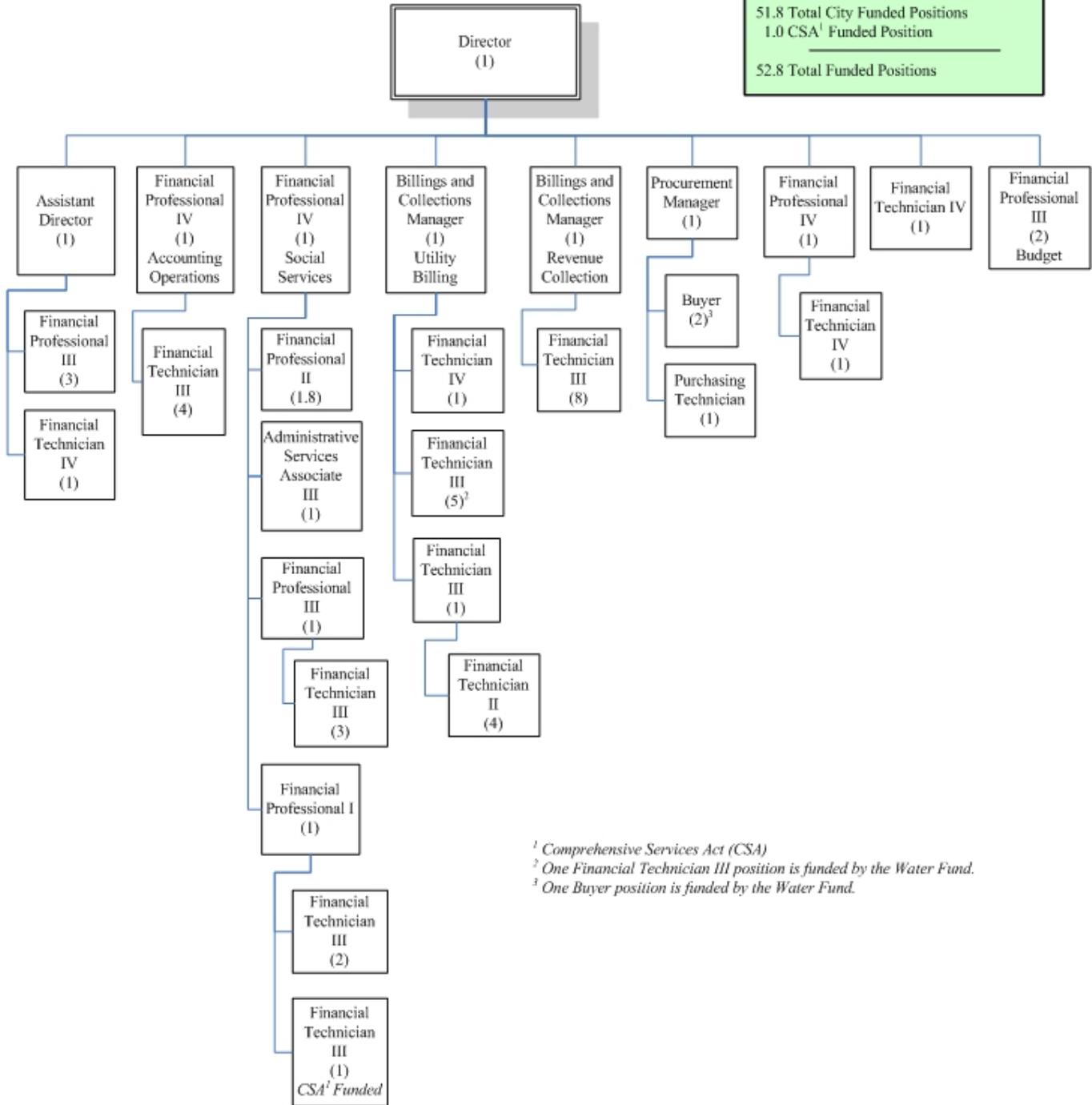
FINANCIAL SERVICES

POSITION SUMMARY

 49.8 City Funded Positions
 2.0 City Funded Positions (Water Fund)

 51.8 Total City Funded Positions
 1.0 CSA¹ Funded Position

 52.8 Total Funded Positions



¹ Comprehensive Services Act (CSA)
² One Financial Technician III position is funded by the Water Fund.
³ One Buyer position is funded by the Water Fund.



Financial Services

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	57.00	56.00	49.00	49.00	49.00
City Funded Part-Time	0.80	0.80	0.80	0.80	0.80
City Funded Temporary	0.25	0.00	0.00	0.00	0.00
City Funded Full-Time (Water Fund) ¹	0.00	0.00	2.00	2.00	2.00
TOTAL FTE	58.05	56.80	51.80	51.80	51.80
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$2,329,735	\$2,305,420	\$2,016,747	\$2,016,747	\$2,016,747
Employee Benefits	824,387	923,395	852,300	852,300	852,300
Contractual Services ²	186,942	235,435	171,090	206,090	206,090
Internal Service Charges	206	300	300	300	300
Other Charges	317,563	361,942	347,223	347,223	347,223
TOTAL DEPARTMENT EXPENDITURES	\$3,658,833	\$3,826,492	\$3,387,660	\$3,422,660	\$3,422,660
DEDICATED REVENUES					
Federal Categorical Aid - Social Services	\$294,074	\$268,453	\$219,998	\$219,998	\$219,998
State Categorical Aid - Social Services	111,684	193,169	151,809	151,809	151,809
Juvenile Correction Block Grant	12,000	12,000	12,000	12,000	12,000
TOTAL DEDICATED REVENUES	\$417,758	\$473,622	\$383,807	\$383,807	\$383,807
TOTAL CITY COST	\$3,241,075	\$3,352,870	\$3,003,853	\$3,038,853	\$3,038,853

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with two positions; supervision will remain in the General Fund.

² Includes recovery from Jim Elliott on Judicial Sales of Real Estate Property.



Financial Services – Office of the Director. Responsible for the overall planning and leadership to prudently manage financial operations and to recommend and implement sound fiscal policies. In addition, long-range financial planning, debt management and coordination of the annual audit are major responsibilities of the Office of the Director.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	6	6	5	5	5
TOTAL FTE	6	6	5	5	5
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$388,391	\$391,204	\$332,548	\$332,548	\$332,548
Employee Benefits	130,179	141,354	127,839	127,839	127,839
Contractual Services	46,990	35,000	20,000	35,000	35,000
Internal Service Charges	206	0	0	0	0
Other Charges	20,183	14,168	12,333	12,333	12,333
TOTAL CITY COST	\$585,949	\$581,726	\$492,720	\$507,720	\$507,720

Financial Services – Office of the Director Budget Description

The Manager’s Proposed FY 2011 Financial Services – Office of the Director budget of \$507,720 represents a 12.7% decrease of \$74,006 as compared to the Adopted FY 2010 budget of \$581,726.

Significant changes compared to the Adopted FY 2010 budget include:

- \$72,171 decrease in Salaries and Employee Benefits reflecting elimination of a full-time Systems Administrator position, offset by a higher Virginia Retirement System rate.
Service Impact: Financial Services will now rely solely on Information Technology for all computer related service and maintenance which may increase the time it takes to correct a related issue due to eliminating the Systems Administrator position.
- \$1,835 decrease in Other Charges reflecting the elimination of office supplies and training for the Systems Administrator position.

The Proposed FY 2011 Financial Services – Office of the Director budget was adopted by City Council without changes.



Financial Services – Accounting Division. Administers the financial, payroll, accounts payable and fixed assets systems and processes for all funds, the largest of which is the General Fund. The Division also prepares financial analysis for City Council, Administration and Departments, as well as required reports for Federal/State/Local and other regulatory agencies, auditors, private sector financial entities and the citizenry. In addition, the Division accounts for Federal and/or State funded grants/projects, performs cash management/investment functions, administers the debt portfolio, and compiles all the information necessary to complete the annual independent audit.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	12.00	12.00	10.00	10.00	10.00
City Funded Temporary	0.25	0.00	0.00	0.00	0.00
TOTAL FTE	12.25	12.00	10.00	10.00	10.00
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$503,080	\$511,454	\$428,601	\$428,601	\$428,601
Employee Benefits	175,803	204,402	180,992	180,992	180,992
Contractual Services	195,079	189,600	143,600	163,600	163,600
Other Charges	28,120	34,575	27,915	27,915	27,915
TOTAL CITY COST	\$902,082	\$940,031	\$781,108	\$801,108	\$801,108

Financial Services – Accounting Division Budget Description

The Manager’s Proposed FY 2011 Financial Services – Accounting Division budget of \$801,108 represents a 14.8% decrease of \$138,923 as compared to the Adopted FY 2010 budget of \$940,031.

Significant changes compared to the Adopted FY 2010 budget include:

- \$106,263 decrease in Salaries and Employee Benefits reflecting the elimination of full-time Financial Technician II and Financial Technical III positions, offset by a higher Virginia Retirement System rate.
- \$26,000 decrease in Contractual Services reflecting a reduction in banking services costs based on a change in procedures.
- \$6,660 decrease in Other Charges reflecting reductions in office supplies, dues and memberships, and training.

The Proposed FY 2011 Financial Services – Accounting Division budget was adopted by City Council without changes.



Financial Services – Billings and Collections Division. Primarily responsible for the billing and collection, both current and delinquent, of substantially all City revenues. This division provides for the billing and collection of real estate taxes, personal property taxes, business license taxes, water and sewer bills, parking tickets, delinquent ambulance bills, vehicle decals, trash tags and a variety of other revenues due the City.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	22	21	20	20	20
City Funded Full-Time (Water Fund) ¹	0	0	1	1	1
TOTAL FTE	22	21	21	21	21
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$703,127	\$696,366	\$672,733	\$672,733	\$672,733
Employee Benefits	270,026	300,439	303,523	303,523	303,523
Contractual Services ²	(58,716)	7,085	5,740	5,740	5,740
Internal Service Charges	0	300	300	300	300
Other Charges	230,497	277,835	265,955	265,955	265,955
TOTAL CITY COST	\$1,144,934	\$1,282,025	\$1,248,251	\$1,248,251	\$1,248,251

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with two positions; supervision will remain in the General Fund.

² Includes recovery from Jim Elliott on Judicial Sales of Real Estate Property.

Financial Services – Billings and Collections Division Budget Description

The Manager’s Proposed FY 2011 Financial Services – Billings and Collections Division budget of \$1,248,251 represents a 2.6% decrease of \$33,774 as compared to the Adopted FY 2010 budget of \$1,282,025.

Significant changes compared to the Adopted FY 2010 budget include:

- \$20,549 decrease in Salaries and Employee Benefits reflecting the elimination of an Administrative Support Associate I position, offset by a higher Virginia Retirement System rate.
- \$1,345 decrease in Contractual Services reflecting the elimination of maintenance contracts on a copier and letter opener machine, as well as a reduction in online service fees.
- \$11,880 decrease in Other Charges reflecting savings from implementing the use of e-bills, as well as new payment processing technology.

Service Impact: Duplicate bills or copies of our records will be charged a \$1.00 per bill or printed page. Electronic Billing will require public education on usage, benefits, efficiencies, etc.

The Proposed FY 2011 Financial Services – Billings and Collections Division budget was adopted by City Council without changes.



Financial Services – Budget Division. Responsible for working with the City Manager’s Office to develop the annual operating budget and capital improvement program. This Division assists City departments, agencies, and citizens with budget matters and questions; as well as preparing and managing both the operating budget and capital improvement programs. The Division also provides research, data compilation, and various management reports related to budget matters.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	2
TOTAL FTE	2	2	2	2	2
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$107,345	\$106,267	\$106,267	\$106,267	\$106,267
Employee Benefits	37,032	40,143	42,688	42,688	42,688
Contractual Services	3,116	3,500	1,500	1,500	1,500
Other Charges	3,656	4,214	4,100	4,100	4,100
TOTAL CITY COST	\$151,149	\$154,124	\$154,555	\$154,555	\$154,555

Financial Services – Budget Division Budget Description

The Manager’s Proposed FY 2011 Financial Services – Budget Division budget of \$154,555 represents a 0.3% increase of \$431 as compared to the Adopted FY 2010 budget of \$154,124.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,545 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$2,000 decrease in Contractual Services Printing and Binding reflecting a reduction in hard copy availability of the Proposed and Adopted Budget and Capital Improvement Program documents.

Service Impact: The decrease to the Budget Division’s Printing and Binding budget will result in staff and citizens utilizing the documents on-line.

The Proposed FY 2011 Financial Services – Budget Division budget was adopted by City Council without changes.



Financial Services – Procurement Division. Provides a full range of services to internal and external customers in the acquisition of goods and services, including construction and professional services; recordation and disposition of City owned surplus property; administration of the procurement card; provision of mail services to City departments; and maintenance of City Hall copiers. Beginning in FY 2010, this division is responsible for procurement services for City Schools as well.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	4	4	3	3	3
City Funded Full-Time (Water Fund) ¹	0	0	1	1	1
TOTAL FTE	4	4	4	4	4
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$187,496	\$172,285	\$124,612	\$124,612	\$124,612
Employee Benefits	62,170	68,655	53,044	53,044	53,044
Contractual Services	473	250	250	250	250
Other Charges	31,977	27,000	32,770	32,770	32,770
TOTAL CITY COST	\$282,116	\$268,190	\$210,676	\$210,676	\$210,676

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with two positions; supervision will remain in the General Fund.

Financial Services – Procurement Division Budget Description

The Manager’s Proposed FY 2011 Financial Services – Procurement Division budget of \$210,676 represents a 21.4% decrease of \$57,514 as compared to the Adopted FY 2010 budget of \$268,190.

Significant changes compared to the Adopted FY 2010 budget include:

- \$63,284 decrease in Salaries and Employee Benefits reflecting the transition of funding for the senior buyer position to Utilities, offset by a higher Virginia Retirement System rate.
- \$5,770 increase in Other Charges reflecting the purchase of copy paper for all City departments.

The Proposed FY 2011 Financial Services – Procurement Division budget was adopted by City Council without changes.



Financial Services – Human Services Financial Division. Provides financial services to Juvenile and Social Services, the Detention Home Fund, and the Comprehensive Services Act Fund. Services include accounting for all State, federal, and local revenues within these funds.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	11.0	11.0	9.0	9.0	9.0
City Funded Part-Time	0.8	0.8	0.8	0.8	0.8
TOTAL FTE	11.8	11.8	9.8	9.8	9.8
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$440,296	\$427,844	\$351,986	\$351,986	\$351,986
Employee Benefits	149,177	168,402	144,214	144,214	144,214
Other Charges	3,130	4,150	4,150	4,150	4,150
TOTAL EXPENDITURES	\$592,603	\$600,396	\$500,350	\$500,350	\$500,350
DEDICATED REVENUES					
Federal Categorical Aid - Social Services	\$294,074	\$268,453	\$219,998	\$219,998	\$219,998
State Categorical Aid - Social Services	111,684	193,169	151,809	151,809	151,809
Juvenile Correction Block Grant	12,000	12,000	12,000	12,000	12,000
TOTAL DEDICATED REVENUES	\$417,758	\$473,622	\$383,807	\$383,807	\$383,807
TOTAL CITY COST	\$174,845	\$126,774	\$116,543	\$116,543	\$116,543

Financial Services – Human Services Financial Division Budget Description

The Manager’s Proposed FY 2011 Financial Services – Human Services Financial Division budget of \$500,350 represents a 16.7% decrease of \$100,046 as compared to the Adopted FY 2010 budget of \$600,396.

Significant changes compared to the Adopted FY 2010 budget include:

- \$100,046 decrease in Salaries and Employee Benefits reflecting the elimination of two positions due to retirement, offset by a higher Virginia Retirement System rate.

The Proposed FY 2011 Financial Services – Human Services Financial Division budget was adopted by City Council without changes.



Financial Services Performance Measures

Goal:
To ensure vendor, customer, and citizen trust through sound financial management (of all City funds).

Objective 1:
Place the City in the best financial position possible by maintaining a AA bond rating and receiving the Government Finance Officers' Association (GFOA) awards of excellence.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Bond rating	AA	AA	AA	AA
Financial presentation awards	FY 2008 CAFR and Budget Presentation awards from GFOA	FY 2009 CAFR and FY 2010 Budget Presentation awards from GFOA	Received FY 2010 Budget Presentation Award from GFOA and submitted the CAFR to GFOA	FY 2010 CAFR and FY 2011 Budget Presentation awards from GFOA
Audit findings	6	6	6	5

Analysis of the Data:
Due to economic and per capita statistics, it is unlikely Lynchburg would ever be upgraded from a AA rating by the rating agencies - AAA ratings are generally given to larger localities with higher median incomes. However, receiving awards from the Government Finance Officers' Association for the CAFR and the Budget document reflect a recognition of strong and prudent financial management, which is noted by rating agencies. While the economy has slowed and Lynchburg has seen a reduction in revenues, it is expected that the City will maintain its highly favorable bond rating and recognition of excellence in financial reporting.
The number of audit findings should continue to decrease as the City and Schools staffs work together to improve procedures.

Objective 2:
Make the payment of taxes and fees by citizens and businesses as economically efficient as possible.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percent of payments made electronically	12.4%	13.0%	14.0%	15.0%

Analysis of the Data:
An increase in the percentage of electronic payments is expected due to the implementation of e-bills and a stronger web presence.

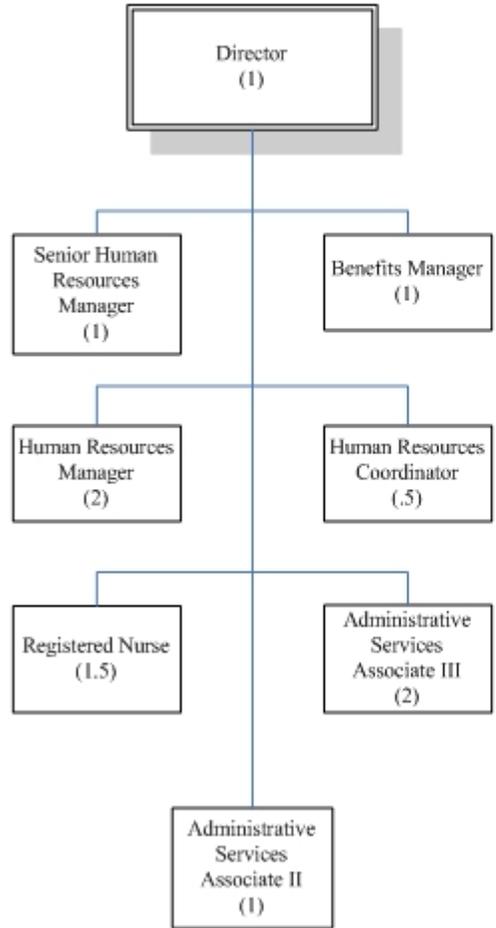


Financial Services Performance Measures (continued)

Objective 3:				
To increase the timeliness and quality of services delivered by the Procurement Division.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percent of users rating timeliness of services as good or excellent.	New measure	70%	Survey to be conducted in March 2010	75%
Percent of users rating quality of service as good or excellent.	New measure	75%		80%
Analysis of the Data:				
While a satisfaction survey was not performed in FY 2008 or 2009, one is planned for FY 2010. It is anticipated that users may experience a decrease in the timeliness and quality of service due to the combination of school consolidation, resulting in more duties for the department, coupled with the retirement of a senior buyer.				
Benchmark Localities:				
City of Roanoke, Roanoke County, and City of Charlottesville, VA				



HUMAN RESOURCES AND OCCUPATIONAL HEALTH



POSITION SUMMARY 10 City Funded Positions <hr/> 10 Total Funded Positions



Human Resources and Occupational Health

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	10.0	10.0	9.0	9.0	9.0
City Funded Part-Time	0.0	0.0	1.0	1.0	1.0
City Funded Temporary	1.4	1.1	0.0	0.0	0.0
TOTAL FTE	11.4	11.1	10.0	10.0	10.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$577,625	\$578,475	\$518,155	\$518,155	\$518,155
Employee Benefits	191,024	204,678	194,749	194,749	194,749
Contractual Services	69,086	60,800	50,020	63,700	63,700
Other Charges	24,438	32,963	19,581	24,581	24,581
TOTAL CITY COST	\$862,173	\$876,916	\$782,505	\$801,185	\$801,185



Human Resources. Provides a full range of human resource services for internal and external customers. Services include recruitment and placement, compensation, benefits management, human resources information system development and maintenance, employee relations, employee and management counseling, training and employee development.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	9.0	9.0	8.0	8.0	8.0
City Funded Part-Time	0.0	0.0	0.5	0.5	0.5
City Funded Temporary	0.6	0.5	0.0	0.0	0.0
TOTAL FTE	9.6	9.5	8.5	8.5	8.5
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$511,739	\$511,366	\$454,872	\$454,872	\$454,872
Employee Benefits	173,381	185,446	174,776	174,776	174,776
Contractual Services	22,194	23,400	16,300	26,300	26,300
Other Charges	18,540	25,671	13,172	18,172	18,172
TOTAL CITY COST	\$725,854	\$745,883	\$659,120	\$674,120	\$674,120

Human Resources Budget Description

The Manager’s Proposed FY 2011 Human Resources budget of \$674,120 represents a 9.6% decrease of \$71,763 as compared to the Adopted FY 2010 budget of \$745,883.

Significant changes compared to the Adopted FY 2010 budget include:

- \$67,164 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time position, offset by a higher Virginia Retirement System rate.
Service Impact: Elimination of a position will result in a slower response time for basic personnel actions such as recruitment, policy development and guidance and benefits management.
- \$2,900 decrease in Contractual Services reflecting a reduction in on-site training.
- \$7,499 decrease in Other Charges reflecting reductions in books and publications, mileage reimbursement, and postage.
Service Impact: The ability to maintain up-to-date professional knowledge.

The Proposed FY 2011 Human Resources budget was adopted by City Council without changes.



Human Resources Performance Measures

Goal 1:
Provide excellent customer service to the workforce.

Objective:
Overall Human Resources' (HR) services are rated as Excellent or Good by 80% of survey respondents.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
% of employee respondents rating HR services as excellent or good	88.0%	80.0%	Mid-year figures not applicable	80.0%

Analysis of the Data:
In FY 2009, ongoing interaction with employees and managers, a focus on responsiveness and communication, and effective training opportunities contributed to increasing the satisfaction ratings over expected levels. Difficult fiscal situations and the resulting actions are expected to decrease the level of satisfaction with services since employees associate compensation decisions with HR.

Goal 2:
Support effective recruitment processes.

Objective:
In a timely manner, following the posting close date, develop and deliver to hiring officials a list of certified (qualified) applicants for non-public safety positions.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Average number of days to screen and deliver a certified list.	8.78 work days	7 work days	Mid-year figures not applicable	10 work days

Analysis of the Data:
HR supports a quick and effective recruitment process by evaluating applicants and referring the most qualified to departments in a timely manner. Theoretically, the quicker the department has a list of certified candidates, the faster the selection process can begin, thereby reducing non-productive time. The FY 2010 hiring freeze has reduced the quantity of recruitments, reducing the amount of time it takes to process applications. Conversely, reduced staff in FY 2011 is expected to lengthen the time needed to process applications.

Goal 3:
Support effective employee performance management.

Objective:
Performance evaluations are completed and shared with employees in a timely manner.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
% of performance evaluations completed on time.	79%	75%	Mid-year figures not applicable	75%

Analysis of the Data:
Performance evaluations are required for all employees at the end of the fiscal year and usually ratings are used to determine pay adjustments. In FY 2009, resources for a pay adjustment were unavailable, reducing the urgency generally felt by supervisors to complete evaluations. As a result, evaluations were not completed in a timely manner. It is anticipated timely completion of evaluations will not occur until performance and pay are linked once again.

Benchmark Localities:
Despite ending our membership in ICMA-CPM, the data from ICMA would continue to provide the most effective benchmark for the measures above.



Human Resources – Occupational Health. Occupational Health provides onsite medical services to employees and post-offer applicants. Services include the initial assessment and treatment of work related injuries and illnesses, pre-employment and periodic public safety physical exams, pre-employment and random drug and alcohol testing, treatment of minor personal illnesses, follow-up treatment and vaccinations. The program links medical care with the City’s benefit and safety programs to help manage costs and provide effective services to employees.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	1.00	1.00	1.00	1.00	1.00
City Funded Part-Time	0.00	0.00	0.50	0.50	0.50
City Funded Temporary	0.75	0.60	0.00	0.00	0.00
TOTAL FTE	1.75	1.60	1.50	1.50	1.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$65,886	\$67,109	\$63,283	\$63,283	\$63,283
Employee Benefits	17,643	19,232	19,973	19,973	19,973
Contractual Services	46,892	37,400	33,720	37,400	37,400
Other Charges	5,898	7,292	6,409	6,409	6,409
TOTAL CITY COST	\$136,319	\$131,033	\$123,385	\$127,065	\$127,065

Human Resources – Occupational Health Budget Description

The Manager’s Proposed FY 2011 Human Resources – Occupational Health budget of \$127,065 represents a 3.0% decrease of \$3,968 as compared to the Adopted FY 2010 budget of \$131,033.

Significant changes compared to the Adopted FY 2010 budget include:

- \$3,085 decrease in Salaries and Employee Benefits reflecting a reduction in part-time hours, offset by a higher Virginia Retirement System rate.

The Proposed FY 2011 Human Resources – Occupational Health budget was adopted by City Council without changes.



Human Resources - Occupational Health Performance Measures

Goal 1: Deliver efficient job-related medical services to the workforce.				
Objective: The value of services provided exceeds the costs of the program.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Value of services compared to actual resources expended.	\$1.29 value for every \$1 expended	\$1.15 value for every \$1 expended	Mid-year figures not applicable	\$1.10 value for every \$1 expended
Analysis of the Data: On-site occupational health services continue to provide an excellent value compared to the cost of comparable services supplied by other providers. In addition to the tangible savings, the City benefits from time savings and cost avoidance by delivering work-related medical services in-house.				

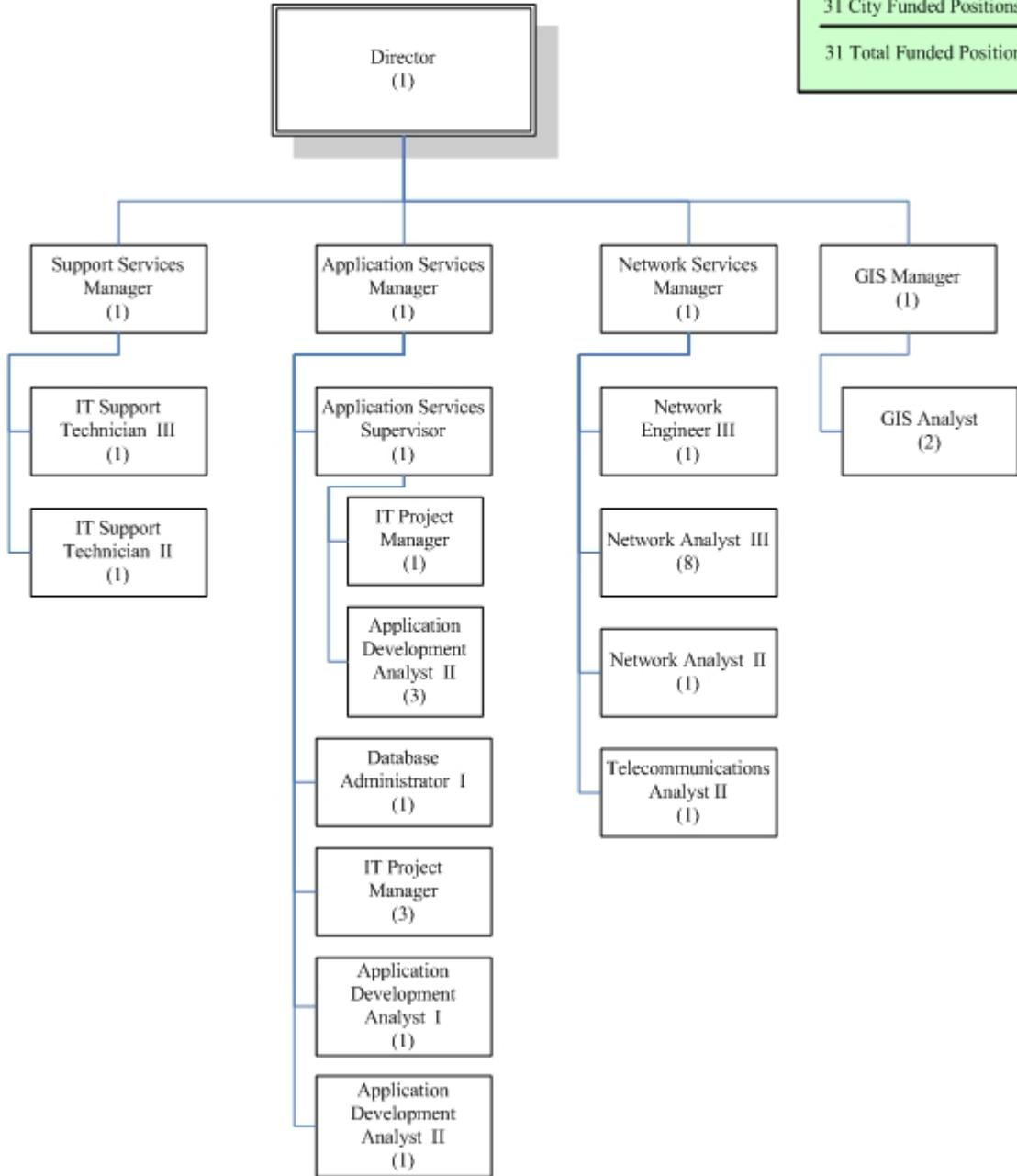


INFORMATION TECHNOLOGY

POSITION SUMMARY

 31 City Funded Positions

 31 Total Funded Positions





Information Technology (IT)

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	28	28	29	30	31
City Funded Temporary	1	0	0	0	0
TOTAL FTE	29	28	29	30	31
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,827,618	\$1,875,409	\$1,888,264	\$1,923,270	\$1,985,180
Employee Benefits	615,306	674,041	731,536	747,155	771,245
Contractual Services	295,998	176,231	204,069	229,803	288,303
Internal Service Charges	6,850	5,426	5,426	5,426	5,426
Other Charges	180,697	215,838	82,869	222,869	229,369
Capital Outlay	70,238	0	0	0	0
TOTAL DEPARTMENT EXPENDITURES	\$2,996,707	\$2,946,945	\$2,912,164	\$3,128,523	\$3,279,523
DEDICATED REVENUES					
Network Services - Schools Share	\$99,212	\$100,962	\$95,240	\$95,240	\$95,240
TOTAL DEDICATED REVENUES	\$99,212	\$100,962	\$95,240	\$95,240	\$95,240
TOTAL CITY COST	\$2,897,495	\$2,845,983	\$2,816,924	\$3,033,283	\$3,184,283



Information Technology – Administration Division. Provides management and administration for the department, Help Desk services, computer operations, and oversight for the cable TV and telecommunications franchises.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	5	5	3	4	4
TOTAL FTE	5	5	3	4	4
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$348,148	\$372,884	\$255,444	\$290,450	\$290,450
Employee Benefits	115,176	131,344	94,362	109,981	109,981
Contractual Services	14,535	22,900	27,177	27,177	27,177
Other Charges	5,919	14,252	11,775	11,775	11,775
TOTAL CITY COST	\$483,778	\$541,380	\$388,758	\$439,383	\$439,383

Information Technology – Administration Division Budget Description

The Manager’s Proposed FY 2011 Information Technology – Administration Division budget of \$439,383 represents an 18.8% decrease of \$101,997 as compared to the Adopted FY 2010 budget of \$541,380.

Significant changes compared to the Adopted FY 2010 budget include:

- \$103,797 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time Database Administrator, offset by a higher Virginia Retirement System rate.
Service Impact: Eliminating a Data Base Administrator position will result in longer response times to requests for support related to databases, especially regarding the City’s websites and GIS. There will also be a greater risk of these systems being down for extended lengths of time in the event of outages.
- \$4,277 increase in Contractual Services reflecting the cost of consulting for potential cost savings initiatives.
- \$2,477 decrease in Other Charges reflecting a reduction in training and conferences.

The Proposed FY 2011 Information Technology – Administration Division budget was adopted by City Council without changes.



Information Technology – Application Services Division. Provides business process and technical services to the users of the City's computer systems. Services include operational support, system specification and procurement, system management, system customization, programming, training, troubleshooting, and consulting.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	11	11	11	11	12
TOTAL FTE	11	11	11	11	12
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$683,347	\$701,792	\$701,268	\$701,268	\$763,178
Employee Benefits	233,034	254,694	271,664	271,664	295,754
Contractual Services	159,631	152,931	107,197	132,931	191,431
Other Charges	15,498	20,513	20,513	20,513	27,013
Capital Outlay	20,000	0	0	0	0
TOTAL CITY COST	\$1,111,510	\$1,129,930	\$1,100,642	\$1,126,376	\$1,277,376

Information Technology – Application Services Division Budget Description

The Manager’s Proposed FY 2011 Information Technology – Application Services Division budget of \$1,126,376 represents a 0.3% decrease of \$3,554 as compared to the Adopted FY 2010 budget of \$1,129,930.

Significant changes compared to the Adopted FY 2010 budget include:

- \$16,446 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$20,000 decrease in Contractual Services due to eliminating the budget to pay for unplanned software changes as requested by departments.

Service Impact: Other City departments occasionally need minor software modifications that are unforeseen when budgets are prepared. This action will eliminate the budget for any unforeseen changes, and departments will be required to obtain funding elsewhere if such situations occur.

The Proposed FY 2011 Information Technology – Application Services Division budget was adopted by City Council with the following changes:

- ◆ \$86,000 increase in Salaries and Employee Benefits reflecting a divisional reorganization along with the addition of a full-time position to augment technological capabilities which will result in budget savings.
- ◆ \$58,500 increase in Contractual Services reflecting an increase in consultant services and operating expenses associated with the additional full time position.
- ◆ \$6,500 increase in Other Charges reflecting operating expenses associated with the additional full-time position.



Information Technology – Geographic Information System (GIS) Division. The GIS Division uses computer technology that can display, analyze, and process information geographically. GIS is responsible for maintaining base data layers for topography, hydrology, and planimetric features as well as orthophotography. GIS provides a wide range of services to support the various City departments in planning and decision making. The data is also available for use by the citizens and outside organizations through an on line mapping application.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	0	0	3	3	3
TOTAL FTE	0	0	3	3	3
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$0	\$0	\$125,194	\$125,194	\$125,194
Employee Benefits	0	0	56,095	56,095	56,095
Contractual Services	0	0	69,295	69,295	69,295
Other Charges	0	0	9,508	9,508	9,508
TOTAL CITY COST	\$0	\$0	\$260,092	\$260,092	\$260,092

Information Technology – Geographic Information System Division Budget Description

The Manager’s Proposed FY 2011 Information Technology – Geographic Information System Division budget of \$260,092 represents a 6.8% decrease of \$19,051 as compared to the Adopted FY 2010 budget of \$279,143 shown in the Community Development section of this document.

Significant changes compared to the Adopted FY 2010 budget include:

- \$5,766 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$27,560 decrease in Contractual Services reflecting the elimination of maintenance for two applications no longer in use, reduced software needs, and reduced consulting.
- \$2,743 increase in Other Charges reflecting the need to replace one workstation.

The Proposed FY 2011 Information Technology – Geographic Information System Division budget was adopted by City Council without changes.



Information Technology – Network Services Division. Provides services to engineer and operate the City's local and wide area networks. This includes managing and supporting all of the communications devices and services along with the software required to provide these networks. Other services provided and supported include e-mail, Internet access, remote network access, application-specific server operation, desktop user support, hardware and software standards, and centralized purchasing of the City's personal computers.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	12	12	12	12	12
City Funded Temporary	1	0	0	0	0
TOTAL FTE	13	12	12	12	12
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$796,123	\$800,733	\$806,358	\$806,358	\$806,358
Employee Benefits	267,096	288,003	309,415	309,415	309,415
Contractual Services	72,494	400	400	400	400
Internal Service Charges	6,850	5,426	5,426	5,426	5,426
Other Charges	158,110	181,073	41,073	181,073	181,073
TOTAL EXPENDITURES	\$1,300,673	\$1,275,635	\$1,162,672	\$1,302,672	\$1,302,672
DEDICATED REVENUES					
Revenue from Schools	\$99,212	\$100,962	\$95,240	\$95,240	\$95,240
TOTAL DEDICATED REVENUES	\$99,212	\$100,962	\$95,240	\$95,240	\$95,240
TOTAL CITY COST	\$1,201,461	\$1,174,673	\$1,067,432	\$1,207,432	\$1,207,432



Information Technology – Network Services Division Budget Description

The Manager’s Proposed FY 2011 Information Technology – Network Services Division budget of \$1,302,672 represents a 2.19% increase of \$27,037 as compared to the Adopted FY 2010 budget of \$1,275,635.

Significant changes compared to the Adopted FY 2010 budget include:

- \$27,037 increase in Salaries and Employee Benefits primarily due to a Virginia Retirement System rate increase and employee progressions.

The Proposed FY 2010 Information Technology – Network Services Division budget was adopted by City Council without changes.



Information Technology – IT Projects. This sub-department tracks the budget for specific initiatives for technology needs in other City departments and to advance the City’s Information Technology Strategic Plan.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$49,338	\$0	\$0	\$0	\$0
Other Charges	1,170	0	0	0	0
Capital Outlay	50,238	0	0	0	0
TOTAL CITY COST	\$100,746	\$0	\$0	\$0	\$0

Information Technology – IT Projects Budget Description

No funds are requested for FY 2011.

The Proposed FY 2011 Information Technology – IT Projects budget was adopted by City Council without changes.



Information Technology Performance Measures

Goal 1: Overall employee satisfaction with IT services.				
Objective: To provide excellent delivery of information technology services, as measured by achieving at least a 3.50 rating on overall satisfaction with IT services on the annual customer satisfaction survey.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Annual survey rating: 4 = Excellent 3 = Good 2 = Fair 1 = Poor	3.57	3.65	n/a	>3.50
Analysis of the Data: The goal for this measure is to be near "Excellent" in the delivery of IT services. The survey for FY 2010 was completed in May 2010; results demonstrate this goal has been achieved for the third year in a row.				

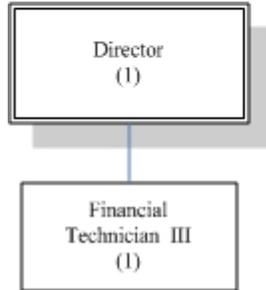
Goal 2: Maximum availability of critical network services.				
Objective: To provide network availability during normal general government business hours (8:30am - 5:00pm, M-F) for at least 99.99% of the year.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Network availability of Priority 1 devices	99.99%	99.99%	99.99%	99.99%
Analysis of the Data: The goal for this measure is to ensure that business critical applications, devices and systems are available during core business hours of 8:30 a.m. to 5:00 p.m. on Monday through Friday. The FY 2010 projected result is based on the year-to-date performance as of April 2010.				

Goal 3: Service requests completed on time.				
Objective: To meet the agreed-upon due date for Incidents and Small Projects at least 85% of the time.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percentage of Incidents and Small Projects completed on time.	90.7%	88.1%	86.4%	85.0%
Analysis of the Data: The goal for this measure is to provide timely technology services. The Projected FY 2010 on-time completion percentage is based on the year-to-date performance as of April 2010.				

Benchmark Localities: Danville, Stafford, Staunton, and Williamsburg, VA
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INTERNAL AUDIT



POSITION SUMMARY
• • • • •
2 City Funded Positions
<hr/>
2 Total Funded Positions



Internal Audit. Provides objective evaluations of the processes, programs, and systems of internal controls within the City of Lynchburg and makes recommendations to improve efficiency and effectiveness of operations.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	2
TOTAL FTE	2	2	2	2	2
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$105,487	\$106,183	\$93,022	\$93,022	\$93,022
Employee Benefits	34,066	40,118	38,504	38,504	38,504
Other Charges	1,417	3,302	3,146	3,146	3,146
TOTAL CITY COST	\$140,970	\$149,603	\$134,672	\$134,672	\$134,672

Internal Audit Budget Description

The Manager’s Proposed FY 2011 Internal Audit budget of \$134,672 represents a 10.0% decrease of \$14,931 as compared to the Adopted FY 2010 budget of \$149,603.

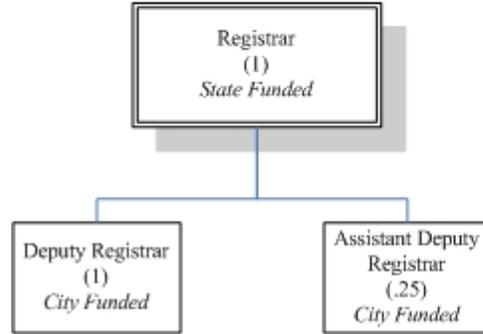
Significant changes compared to the Adopted FY 2010 budget include:

- \$14,775 decrease in Salaries and Employee Benefits due to adjusting the salary of the vacant Internal Audit Director position, offset by a higher Virginia Retirement System rate.

The Proposed FY 2011 Internal Audit budget was adopted by City Council without changes.



REGISTRAR AND ELECTORAL BOARD



POSITION SUMMARY
.....
1.00 State Funded Position
1.25 City Funded Position
2.25 Total Funded Positions



Registrar. A state-mandated activity. Appointed by the Electoral Board, the Registrar maintains the active voter list, arranges facilities for voter registration and voting, and conducts elections. One general election is scheduled during this fiscal year, the November 2010 General Election for a U. S. Representative and the Lynchburg Clerk of Circuit Court.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	1.00	1.00	1.00	1.00	1.00
City Funded Part-Time	0.00	0.00	0.25	0.25	0.25
City Funded Temporary	0.60	0.30	0.00	0.00	0.00
State Funded Full-Time	1.00	1.00	1.00	1.00	1.00
TOTAL FTE	2.60	2.30	2.25	2.25	2.25
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$105,772	\$98,054	\$95,658	\$95,658	\$95,658
Employee Benefits	33,125	36,376	38,093	38,093	38,093
Contractual Services	4,597	4,500	2,450	2,450	2,450
Other Charges	12,090	7,166	6,468	6,468	6,468
TOTAL EXPENDITURES	\$155,584	\$146,096	\$142,669	\$142,669	\$142,669
DEDICATED REVENUES					
Revenues from the Commonwealth	\$64,149	\$50,206	\$49,609	\$49,609	\$43,491
TOTAL DEDICATED REVENUES	\$64,149	\$50,206	\$49,609	\$49,609	\$43,491
TOTAL CITY COST	\$91,435	\$95,890	\$93,060	\$93,060	\$99,178

Registrar Budget Description

The Manager’s Proposed FY 2011 Registrar budget of \$142,669 represents a 2.3% decrease of \$3,427 as compared to the Adopted FY 2010 budget of \$146,096.

Significant changes compared to the Adopted FY 2010 budget include:

- \$679 decrease in Salaries and Employee Benefits reflecting a reduction in part-time hours due to only one election currently scheduled in the fiscal year, offset by a higher Virginia Retirement System rate.
Service Impact: As part-time hours continue to decrease in this department, there will be times when only one person is available to answer the phone (lunch time and vacation periods).
- \$2,050 decrease in Contractual Services reflecting only one election currently scheduled in the fiscal year.

The Proposed FY 2011 Registrar budget was adopted by City Council without changes.



Electoral Board. Consists of three members appointed by the Circuit Court Judge. Members are appointed for staggered three-year terms and are responsible for overseeing general and primary elections and ensuring the maintenance and security of voting machines. The Electoral Board must also canvass the vote the day after an election to decide the validity of provisional ballots and ascertain the results of the election.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$8,939	\$3,253	\$4,253	\$4,253	\$4,253
Other Charges	100,241	54,546	34,862	34,862	34,862
TOTAL EXPENDITURES	\$109,180	\$57,799	\$39,115	\$39,115	\$39,115
DEDICATED REVENUES					
Revenues from the Commonwealth	\$14,561	\$11,569	\$11,569	\$11,569	\$11,569
TOTAL DEDICATED REVENUES	\$14,561	\$11,569	\$11,569	\$11,569	\$11,569
TOTAL CITY COST	\$94,619	\$46,230	\$27,546	\$27,546	\$27,546

Electoral Board Budget Description

The Manager’s Proposed FY 2011 Electoral Board budget of \$39,115 represents a 32.3% decrease of \$18,684 as compared to the Adopted FY 2010 budget of \$57,799.

Significant changes compared to the Adopted FY 2010 budget include:

- \$1,000 decrease in Contractual Services reflecting a reduction for voting machine repairs due to only one election scheduled in the fiscal year.
- \$19,684 decrease in Other Charges reflecting reduced election official pay due to only one election scheduled in the fiscal year and reduced ballot costs due to only one election scheduled in the fiscal year.

The Proposed FY 2011 Electoral Board budget was adopted by City Council without changes.



STATE TREASURER

State Treasurer
(1)
State Funded



Deputy Treasurer
(1)
State Funded

POSITION SUMMARY	

2.00	State Funded Positions
0.04	State Funded Temporary Positions
<hr/>	
2.04	Total Funded Positions



State Treasurer. A State Constitutional Office, housed by the City, elected by City residents, the State Treasurer pays jurors and collects State income tax, estimated State income tax, capital tax, and State license fees as well as issues State cigarette stamps.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
State Funded Full-Time	2.00	2.00	2.00	2.00	2.00
State Funded Temporary	0.22	0.22	0.02	0.02	0.04
TOTAL FTE	2.22	2.22	2.02	2.02	2.04
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$95,029	\$106,088	\$101,067	\$101,067	\$101,567
Employee Benefits	33,236	36,573	40,886	40,886	40,886
Other Charges	2,147	2,500	1,233	1,233	2,708
TOTAL EXPENDITURES	\$130,412	\$145,161	\$143,186	\$143,186	\$145,161
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$108,924	\$122,432	\$69,173	\$69,173	\$92,995
TOTAL DEDICATED REVENUES	\$108,924	\$122,432	\$69,173	\$69,173	\$92,995
TOTAL CITY COST	\$21,488	\$22,729	\$74,013	\$74,013	\$52,166

State Treasurer Budget Description

The Manager’s Proposed FY 2011 State Treasurer budget of \$143,186 represents a 1.4% decrease of \$1,975 as compared to the Adopted FY 2010 budget of \$145,161.

Significant changes compared to the Adopted FY 2010 budget include:

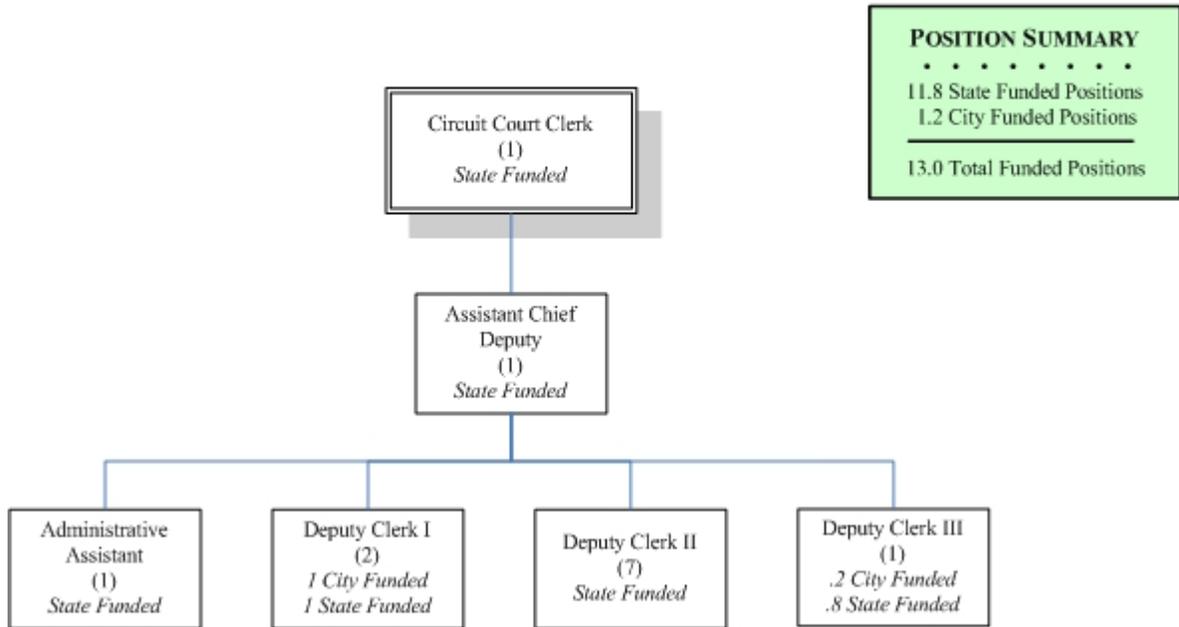
- \$708 decrease in Salaries and Employee Benefits reflecting a reduction in Temporary hours, offset by a higher Virginia Retirement System rate.
- \$1,267 decrease in Other Charges reflecting a reduction in supplies, telephone charges, and dues and memberships.

The Proposed FY 2011 State Treasurer budget was adopted by City Council with the following changes:

- ◆ \$500 increase in Salaries and Employee Benefits to restore overall funding to the FY 2010 level.
- ◆ \$1,475 increase in Other Charges to restore overall funding to the FY 2010 level.



CIRCUIT COURT CLERK (24TH JUDICIAL DISTRICT)





Circuit Court Clerk (24th Judicial District). A State Constitutional Office, elected by City residents, the Clerk is the chief administrative officer of the Court of Record. The Clerk keeps all permanent records concerning real estate, estates, marriages, and divorces, and has the authority to probate wills, grant administration of estates, and appoint guardians.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	1.2	1.2	1.2	1.2	1.2
State Funded Full-Time	11.8	11.8	11.8	11.8	11.8
TOTAL FTE	13.0	13.0	13.0	13.0	13.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$478,245	\$518,275	\$486,340	\$486,340	\$486,340
Employee Benefits	173,562	207,679	212,918	212,918	212,918
Contractual Services	36,455	6,145	6,145	6,145	6,145
Other Charges	94,144	38,655	38,655	38,655	38,655
TOTAL EXPENDITURES	\$782,406	\$770,754	\$744,058	\$744,058	\$744,058
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$469,795	\$526,190	\$398,278	\$398,278	\$494,975
Document Reproduction Fees	13,284	26,667	15,000	15,000	15,000
Excess Fees for Clerk of Court	19,912	89,525	65,545	40,000	40,000
TOTAL DEDICATED REVENUES	\$502,991	\$642,382	\$478,823	\$453,278	\$549,975
TOTAL CITY COST	\$279,415	\$128,372	\$265,235	\$290,780	\$194,083

Circuit Court Clerk (24th Judicial District) Budget Description

The Manager’s Proposed FY 2011 Circuit Court Clerk budget of \$744,058 represents a 3.5% decrease of \$26,696 as compared to the Adopted FY 2010 budget of \$770,754.

Significant changes compared to the Adopted FY 2010 budget include:

- \$26,696 decrease in Salaries and Employee Benefits reflecting the retirement of two employees, offset by a higher Virginia Retirement System rate.

The Proposed FY 2011 Circuit Court Clerk budget was adopted by City Council without changes.



CIRCUIT COURT JUDGES (24TH JUDICIAL DISTRICT)

Judicial Assistant
(2)
City Funded

POSITION SUMMARY
.....
2 City Funded Positions

2 Total Funded Positions



Circuit Court Judges (24th Judicial District). This Court operates at the jury level and has jurisdiction for criminal and civil cases in Lynchburg, the City of Bedford, as well as Amherst, Bedford, Campbell, and Nelson Counties.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	2	2	2	2	2
TOTAL FTE	2	2	2	2	2
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$79,567	\$80,028	\$80,028	\$80,028	\$80,028
Employee Benefits	28,863	32,560	34,400	34,400	34,400
Contractual Services	18,757	35,500	23,500	25,500	25,500
Other Charges	20,570	16,703	17,185	17,185	17,185
Capital Outlay	266	7,500	0	0	0
TOTAL CITY COST	\$148,023	\$172,291	\$155,113	\$157,113	\$157,113

Circuit Court Judges (24th Judicial District) Budget Description

The Manager’s Proposed FY 2011 Circuit Court Judges budget of \$157,113 represents an 8.8% decrease of \$15,178 as compared to the Adopted FY 2010 budget of \$172,291.

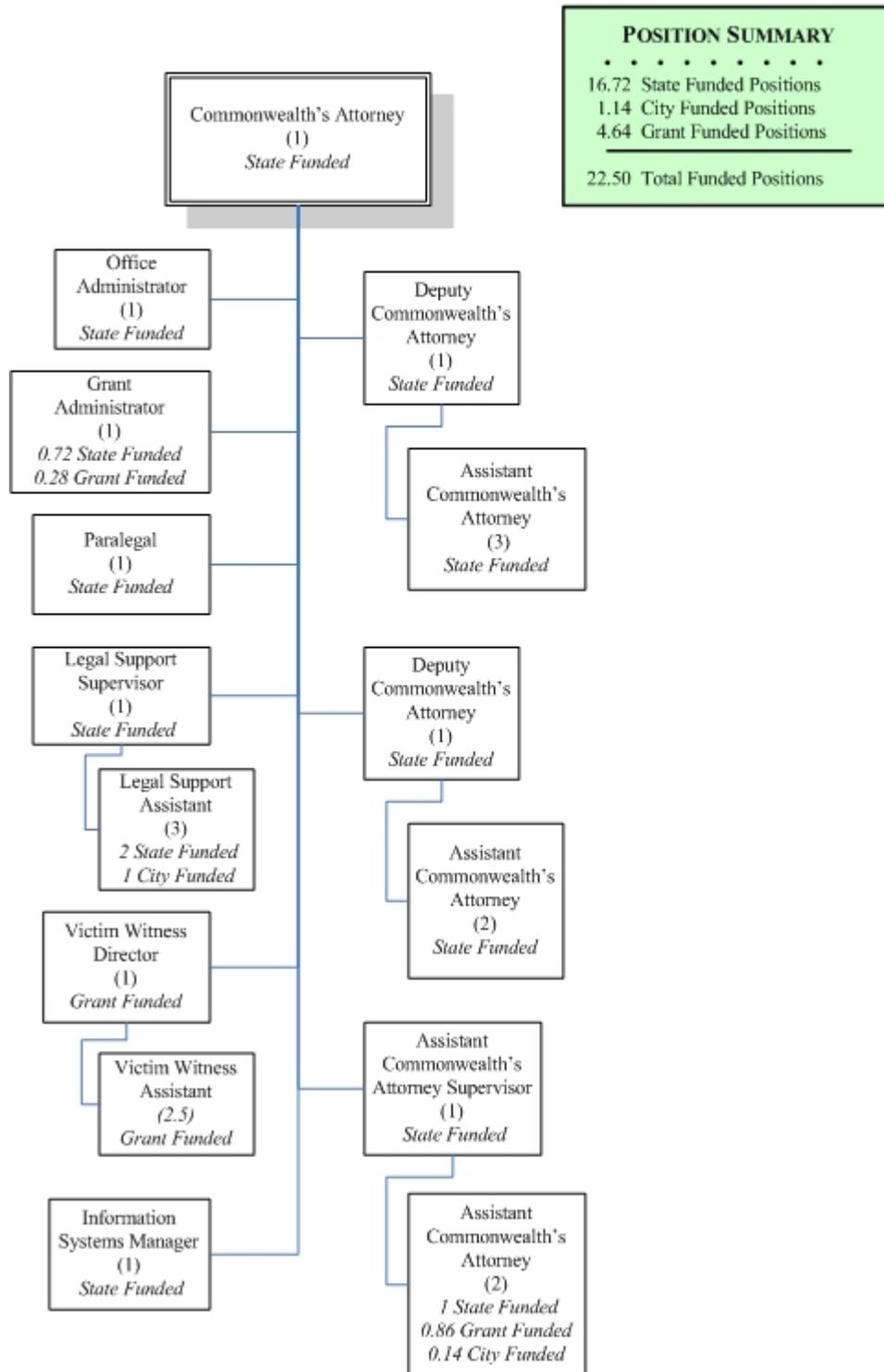
Significant changes compared to the Adopted FY 2010 budget include:

- \$10,000 decrease in Contractual Services reflecting a reduction in legal services and jury fees.
- \$5,500 decrease in Capital Outlay reflecting one-time furniture costs in FY 2010.

The Proposed FY 2011 Circuit Court Judges budget was adopted by City Council without changes.



COMMONWEALTH'S ATTORNEY





Office of the Commonwealth's Attorney. A State Constitutional Office, elected by City residents. The Commonwealth's Attorney investigates crimes in the City and prosecutes criminal law violations. The Commonwealth's Attorney also investigates criminal misconduct; prosecutes all warrants, indictments, or information charging a felony; and prosecutes misdemeanors or other violations of State law and City ordinances.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	1.00	1.11	0.00	0.00	1.14
State Funded Full-Time	15.50	15.61	15.86	15.86	16.72
Grant Funded Full Time	6.28	6.28	4.14	4.14	4.14
Grant Funded Part-Time	0.00	0.00	0.50	0.50	0.50
Grant Funded Temporary	0.50	0.50	0.00	0.00	0.00
TOTAL FTE	23.28	23.50	20.50	20.50	22.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$983,195	\$993,311	\$932,339	\$932,339	\$1,039,506
Employee Benefits	330,611	370,721	372,410	372,410	415,380
Contractual Services	4,044	3,500	1,929	1,929	1,929
Other Charges	23,326	25,935	15,606	15,606	15,442
Total General Fund Expenditures	\$1,341,176	\$1,393,467	\$1,322,284	\$1,322,284	\$1,472,257
Total Grant Expenditures ¹	\$499,926	\$508,117	\$371,964	\$371,964	\$371,964
TOTAL DEPARTMENT EXPENDITURES	\$1,841,102	\$1,901,584	\$1,694,248	\$1,694,248	\$1,844,221
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$915,110	\$940,476	\$771,659	\$771,659	\$878,349
Federal Government Grants	488,829	488,326	334,331	334,331	334,331
Asset Forfeiture Fund	11,097	15,063	0	0	0
In-Kind Grant Match	0	0	22,570	22,570	22,570
TOTAL DEDICATED REVENUES	\$1,415,036	\$1,443,865	\$1,128,560	\$1,128,560	\$1,235,250
TOTAL CITY COST	\$426,066	\$457,719	\$565,688	\$565,688	\$608,971

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.



Office of the Commonwealth's Attorney Budget Description

The Manager's Proposed FY 2011 Office of the Commonwealth's Attorney budget of \$1,322,284 represents a 5.1% decrease of \$71,183 as compared to the Adopted FY 2010 budget of \$1,393,467.

Significant changes compared to the Adopted FY 2010 budget include:

- \$59,283 decrease in Salaries and Employee Benefits reflecting moving 0.61 of a full-time Information Systems Manager and 0.50 of a full-time Legal Assistant to State funding; eliminating two vacant full-time Assistant Commonwealth Attorneys, transferring 0.14 of an Assistant Commonwealth Attorney and a full-time Assistant Commonwealth Attorney that were previously funded by grants due to a combined mandated state and locality budget reduction, offset by a higher Virginia Retirement System rate.
Service Impact: Realizing a reduction in attorney staff, the Office of the Commonwealth's Attorney will be forced to spend less time on domestic violence prosecution, and will reduce the prosecution of misdemeanors in General District Court to only 3 days a week. This will lead to fewer convictions with a corresponding revenue loss of fines and fees.
- \$10,789 decrease in Other Charges reflecting reductions in supplies, materials and training due to a combined mandated state and locality budget reduction.

The Proposed FY 2011 Office of the Commonwealth's Attorney budget was adopted by City Council with the following changes:

- ◆ \$150,137 increase in Salaries and Employee Benefits reflecting the restoration of two full-time positions by the State and an adjustment to benefits.
- ◆ \$164 decrease in Other Charges reflecting a reduction in office supplies.



General District Court. Processes and hears traffic violations and criminal misdemeanor cases as well as preliminary hearings for most felonies. This court conducts hearings for civil claims up to \$15,000. This Court also provides information and assistance to the general public, attorneys, defendants, witnesses and law-enforcement agencies.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$63,551	\$56,300	\$50,555	\$54,000	\$54,000
Other Charges	8,345	9,496	8,550	8,550	8,550
TOTAL CITY COST	\$71,896	\$65,796	\$59,105	\$62,550	\$62,550

General District Court Budget Description

The Manager’s Proposed FY 2011 General District Court budget of \$62,550 represents a 4.9% decrease of \$3,246 as compared to the Adopted FY 2010 Budget of \$65,796.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,300 decrease in Contractual Services reflecting a reduction in court appointed attorney fees.
Service Impact: This reduction could impact attorneys being paid for representing defendants in court and attorneys may ask to be removed from our local court appointed list.
- \$946 decrease in Other Charges due to not funding typewriter repairs, Brinks service, miscellaneous forms, and minor equipment.

The Proposed FY 2011 General District Court budget was adopted by City Council without changes.



Juvenile and Domestic Relations District Court. Hears and determines cases involving juveniles, including delinquency-status offenses, custody, support, child abuse and neglect, and adult criminal cases (misdemeanors and preliminary felony hearings) when a child or family member is the alleged victim.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Internal Service Charges	\$1,260	\$2,492	\$2,492	\$2,492	\$2,492
Other Charges	12,648	12,049	12,049	12,049	12,049
TOTAL CITY COST	\$13,908	\$14,541	\$14,541	\$14,541	\$14,541

Juvenile and Domestic Relations District Court Budget Description

The Manager’s Proposed FY 2011 Juvenile and Domestic Relations District Court budget of \$14,541 represents no change as compared to the Adopted FY 2010 budget of \$14,541.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Juvenile and Domestic Relations District Court budget was adopted by City Council without changes.



Magistrate. A judicial officer, the Magistrate reviews complaints by law enforcement officers and citizens before issuing arrest warrants, summonses, subpoenas, search warrants, civil warrants, mental emergency custody orders, and emergency protective orders. The Magistrate conducts bail hearings in criminal cases and accepts payments for certain traffic infractions and misdemeanors.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$182	\$400	\$0	\$0	\$0
Other Charges	3,151	2,856	2,893	2,893	2,893
TOTAL CITY COST	\$3,333	\$3,256	\$2,893	\$2,893	\$2,893

Magistrate Budget Description

The Manager’s Proposed FY 2011 Magistrate budget of \$2,893 represents an 11.1% decrease of \$363 as compared to the Adopted FY 2010 budget of \$3,256.

Significant changes compared to the Adopted FY 2010 budget include:

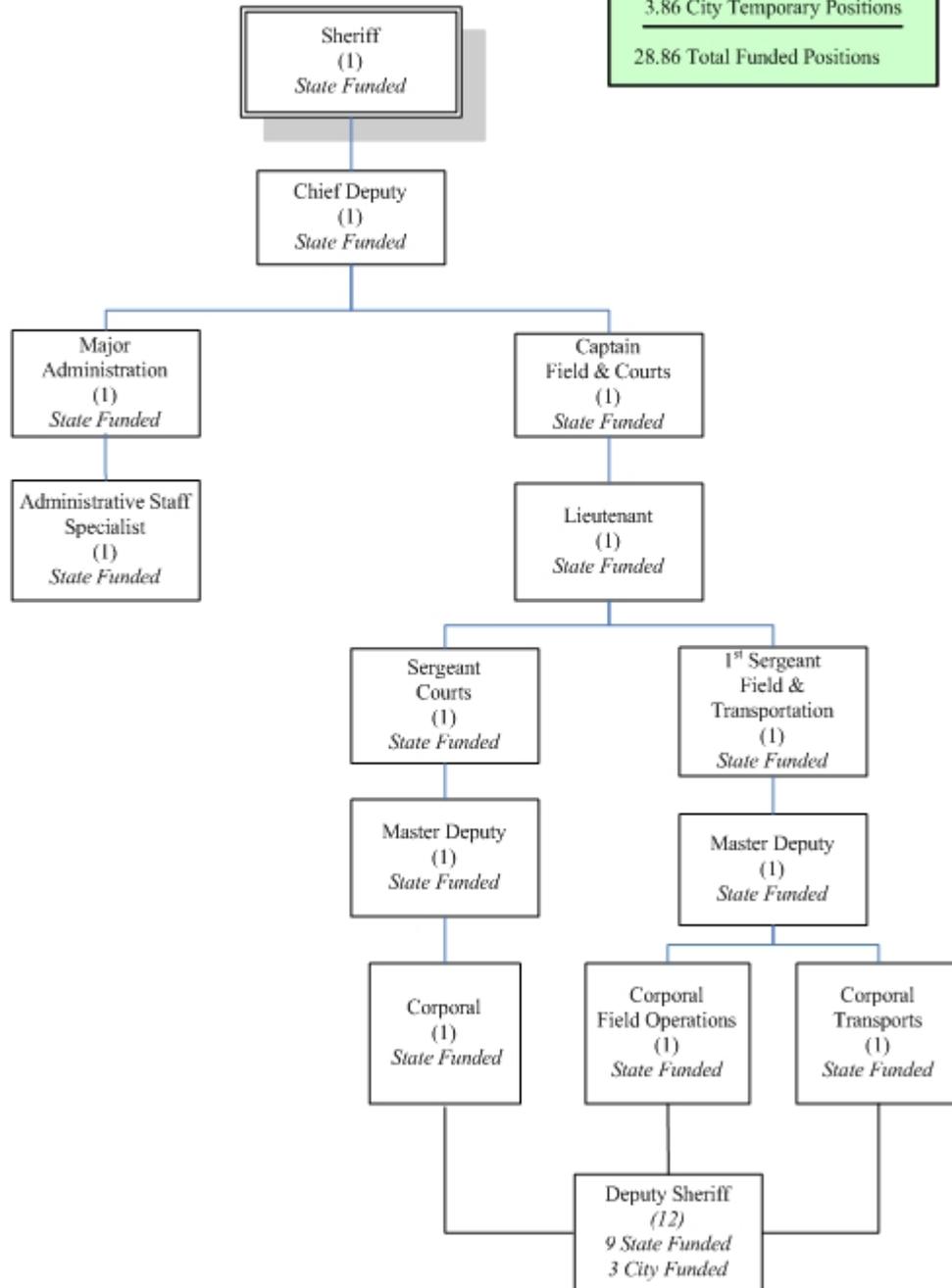
- \$400 decrease in Contractual Services reflecting eliminating Software Purchases.
- \$37 increase in Other Charges reflecting an increase in office supplies and a reduction in telephone services.

The Proposed FY 2011 Magistrate budget was adopted by City Council without changes.



SHERIFF

POSITION SUMMARY	
22.00	State Funded Positions
3.00	City Funded Positions
3.86	City Temporary Positions
<hr/>	
28.86	Total Funded Positions





Sheriff's Office. A State Constitutional Office, elected by City residents. The Sheriff enforces court orders, issues summonses for witnesses and jurors in civil cases, and furnishes bailiffs to courts.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	3.00	3.00	2.00	2.00	3.00
City Funded Temporary	3.86	3.86	3.01	3.01	3.86
State Funded Full-Time	24.00	24.00	22.00	22.00	22.00
TOTAL FTE	30.86	30.86	27.01	27.01	28.86
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,328,017	\$1,352,250	\$1,220,934	\$1,220,934	\$1,282,044
Employee Benefits	413,578	487,872	468,784	468,784	486,280
Contractual Services	63,859	50,327	39,500	39,500	39,500
Internal Service Charges	62,141	95,470	67,000	67,000	67,000
Other Charges	146,558	116,662	87,150	87,150	87,150
TOTAL EXPENDITURES	\$2,014,153	\$2,102,581	\$1,883,368	\$1,883,368	\$1,961,974
DEDICATED REVENUES					
Commonwealth Aid for Shared Expenditures	\$1,192,104	\$1,264,146	\$1,074,847	\$1,074,847	\$1,137,382
Sheriff's Fee Courtroom Services	114,636	85,000	110,000	110,000	110,000
TOTAL DEDICATED REVENUES	\$1,306,740	\$1,349,146	\$1,184,847	\$1,184,847	\$1,247,382
TOTAL CITY COST	\$707,413	\$753,435	\$698,521	\$698,521	\$714,592



Sheriff's Office Budget Description

The Manager's Proposed FY 2011 Sheriff's Office budget of \$1,883,368 represents a 10.4% decrease of \$219,213 as compared to the Adopted FY 2010 budget of \$2,102,581.

Significant changes compared to the Adopted FY 2010 budget include:

- \$150,404 decrease in Salaries and Employee Benefits reflecting the elimination of two state full-time positions, one city funded full-time position, .85 city funded temporary position, a reduction in overtime, offset by a higher Virginia Retirement System rate.
Service Impact: Mandated duties of civil process, courtroom/courthouse security, and transportation of mental commissions and inmates are primary. A reduction in positions will reduce the Sheriff's Office ability to assist the Lynchburg Police Department with Temporary Detention Orders and emergency situation. These reductions will also limit the Sheriff's Office to assist the City with collections deposits, City events, the inmate program, and service City Community Development papers. The reduction will also result in increased security risks with gang related and high risk trials.
- \$40,339 decrease in Contractual Services and Other Charges reflecting a reduction in all operation monies due to budget cuts.
- \$ 28,470 decrease in Internal Service Charges based on Fleet Administration estimates.

The Proposed FY 2011 Sheriff's Office budget was adopted by City Council with the following change:

- ◆ \$78,606 increase in Salaries and Employee Benefits reflecting the restoration of one full-time position and one part-time position by the State.



Court Service Unit (24th Judicial District). A State activity housed by the City. Provides intake for the Lynchburg 24th Judicial District Juvenile and Domestic Relations Court. These include intake services for delinquency; children in need of service or supervision; juvenile mental commitments; child abuse and neglect petitions; and domestic violence matters. In addition, the Unit prepares predisposition reports for the Court and provides probation and parole supervision for those juveniles under the jurisdiction of the Court. The Court Service Unit is also responsible for preparing custody investigations and supervising special placements.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Other Charges	\$570	\$1,813	\$1,632	\$1,632	\$1,632
TOTAL CITY COST	\$570	\$1,813	\$1,632	\$1,632	\$1,632

Court Service Unit (24th Judicial District) Budget Description

The Manager’s Proposed FY 2011 Court Service Unit budget of \$1,632 represents a 10.0% decrease of \$181 as compared to the Adopted FY 2010 budget of \$1,813.

Significant changes compared to the Adopted FY 2010 budget include:

- \$181 decrease in Other Charges reflecting a reduction in supplies.

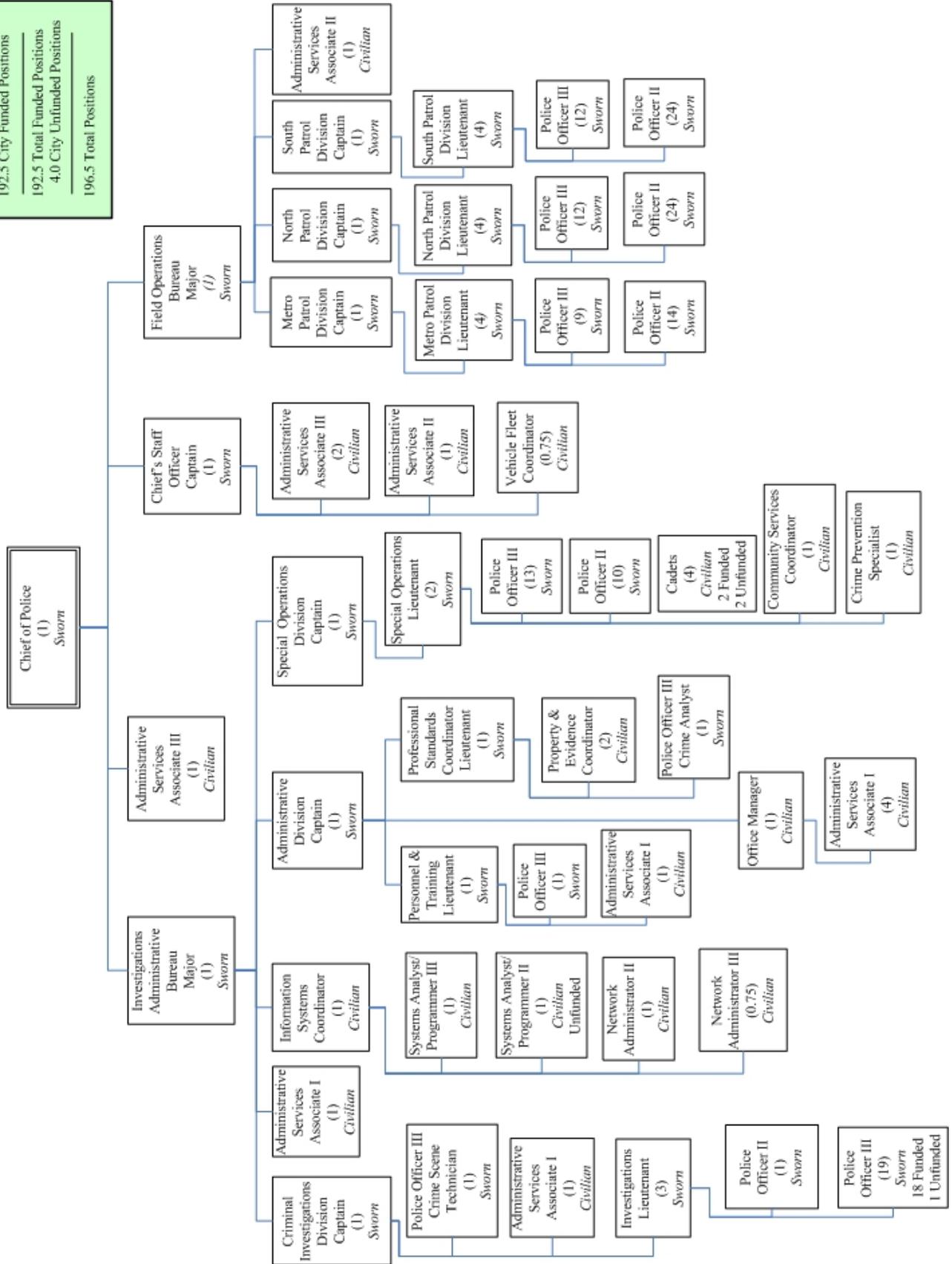
The Proposed FY 2011 Court Service Unit budget was adopted by City Council without changes.



POSITION SUMMARY

- • • • •
- 192.5 City Funded Positions
- 192.5 Total Funded Positions
- 4.0 City Unfunded Positions
- 196.5 Total Positions

POLICE





Police Department including Animal Warden

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Sworn Full-Time	170.00	170.00	153.00	166.00	169.00
City Funded Civilian Full-Time	31.00	31.00	23.00	26.00	27.00
City Funded Part-Time	0.00	0.00	3.00	3.00	2.50
City Funded Temporary	2.88	2.88	0.00	0.00	0.00
City Sworn Full-Time Not Funded	0.00	0.00	17.00	4.00	1.00
City Civilian Full-Time Not Funded	0.00	0.00	6.00	3.00	3.00
TOTAL FTE	203.88	203.88	202.00	202.00	202.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$9,309,526	\$9,154,821	\$7,989,261	\$8,706,396	\$8,810,740
Employee Benefits	3,119,179	3,511,406	3,228,744	3,528,360	3,582,557
Contractual Services	249,652	301,077	278,490	288,300	288,300
Internal Service Charges	553,809	658,655	624,900	625,900	625,900
Other Charges	759,258	631,331	664,164	716,498	716,498
Capital Outlay	90,965	19,424	19,424	19,424	19,424
TOTAL DEPARTMENT EXPENDITURES	\$14,082,389	\$14,276,714	\$12,804,983	\$13,884,878	\$14,043,419
DEDICATED REVENUES					
Police - Schools DARE Program	\$106,594	\$125,000	\$0	\$125,000	\$125,000
Local Law Enforcement Funding (House Bill 599)	3,353,513	3,353,513	2,729,290	2,729,290	3,037,195
Police Report Sales	10,310	12,000	11,000	11,000	11,000
TOTAL DEDICATED REVENUES	\$3,470,417	\$3,490,513	\$2,740,290	\$2,865,290	\$3,173,195
TOTAL CITY COST	\$10,611,972	\$10,786,201	\$10,064,693	\$11,019,588	\$10,870,224



Police Department. Preserves the peace, maintains order, and provides critical homeland defense by preventing crime and protecting people and property; investigating criminal activity and apprehending criminals; and promoting traffic safety. The department works cooperatively to educate community partners and solve neighborhood problems, fosters positive relationships within the community, and promotes neighborhood self-sufficiency. The department includes the Bureau of Field Operations and the Bureau of Administration and Investigation. The department follows a community policing operation strategy to accomplish its mission. The department also offers community service and educational initiatives such as crime prevention, personal safety programs, DARE, school resource officer programs, Citizen’s Police Academy, and crime prevention through environmental design.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Sworn Full-Time	170.00	170.00	153.00	166.00	169.00
City Funded Civilian Full-Time	26.00	26.00	19.00	22.00	22.00
City Funded Part-Time	0.00	0.00	1.50	1.50	1.50
City Funded Temporary	1.88	1.88	0.00	0.00	0.00
City Sworn Full-Time Not Funded	0.00	0.00	17.00	4.00	1.00
City Civilian Full-Time Not Funded	0.00	0.00	6.00	3.00	3.00
TOTAL FTE	197.88	197.88	196.50	196.50	196.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$9,115,279	\$8,961,670	\$7,823,380	\$8,540,515	\$8,632,369
Employee Benefits	3,059,220	3,440,330	3,170,517	3,470,133	3,512,832
Contractual Services	236,913	287,189	262,752	272,562	272,562
Internal Service Charges	522,035	625,195	595,700	596,700	596,700
Other Charges	743,528	623,485	645,621	697,955	697,955
Capital Outlay	90,965	19,424	19,424	19,424	19,424
TOTAL EXPENDITURES	\$13,767,940	\$13,957,293	\$12,517,394	\$13,597,289	\$13,731,842
DEDICATED REVENUES					
Police - Schools DARE Program	\$106,594	\$125,000	\$0	\$125,000	\$125,000
Local Law Enforcement Funding (House Bill 599)	3,353,513	3,353,513	2,729,290	2,729,290	3,037,195
Police Report Sales	10,310	12,000	11,000	11,000	11,000
TOTAL DEDICATED REVENUES	\$3,470,417	\$3,490,513	\$2,740,290	\$2,865,290	\$3,173,195
TOTAL CITY COST	\$10,297,523	\$10,466,780	\$9,777,104	\$10,731,999	\$10,558,647



Police Department Budget Description

The Manager's Proposed FY 2011 Police Department budget of \$13,597,289 represents a 2.6% decrease of \$360,004 as compared to the Adopted FY 2010 budget of \$13,957,293.

Significant changes compared to the Adopted FY 2010 budget include:

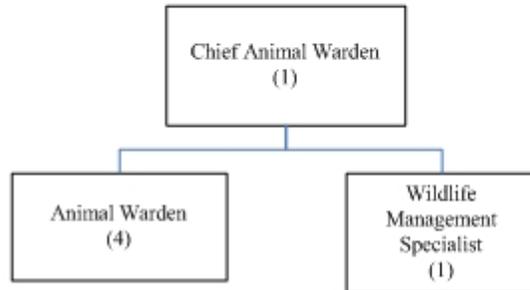
- \$391,352 decrease in Salaries and Employee Benefits reflecting not funding four full-time sworn positions (two Recruits, an Officer II, and an Officer III), three civilian full-time positions (two Cadets and a Systems/Analyst Programmer II), and two temporary School Crossing Guard positions; these reductions offset a higher Virginia Retirement System rate.
- \$14,627 decrease in Contractual Services reflecting a decrease of \$2,700 in Software Purchases, \$959 in Investigation Services, \$9,000 in On-Site Training Services, and \$1,893 in Miscellaneous Contractual Service.
- \$29,495 decrease in Internal Services Charges based on Fleet Administration estimates.
- \$74,470 increase in Other Charges reflecting supplies, building and equipment maintenance materials, training and conferences, cellular phone costs.

The Proposed FY 2011 Police Department budget was adopted by City Council with the following change:

- ◆ \$134,553 increase in Salaries and Employee Benefits reflecting the restoration of one full-time Police Officer II position and two full-time Police Recruit positions.



POLICE DEPARTMENT – ANIMAL CONTROL UNIT



POSITION SUMMARY
6 City Funded Positions
<hr/>
6 Total Funded Positions



Police Department – Animal Control Unit. The Animal Wardens are responsible for animal control enforcement for the entire City. They perform regular patrols on all streets and highways within the City limits. Wildlife Management Specialists are responsible for deer population and damage control within the City.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Civilian Full-Time	5.0	5.0	4.0	4.0	5.0
City Funded Part-Time	0.0	0.0	1.5	1.5	1.0
City Funded Temporary	1.0	1.0	0.0	0.0	0.0
TOTAL FTE	6.0	6.0	5.5	5.5	6.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$194,247	\$193,151	\$165,881	\$165,881	\$178,371
Employee Benefits	59,959	71,076	58,227	58,227	69,725
Contractual Services	12,739	13,888	15,738	15,738	15,738
Internal Service Charges	31,774	33,460	29,200	29,200	29,200
Other Charges	15,730	7,846	18,543	18,543	18,543
TOTAL CITY COST	\$314,449	\$319,421	\$287,589	\$287,589	\$311,577

Police Department – Animal Control Unit Budget Description

The Manager’s Proposed FY 2011 Police Department – Animal Control Unit budget of \$287,589 represents a 10.0% decrease of \$31,832 as compared to the Adopted FY 2010 budget of \$319,421.

Significant changes compared to the Adopted FY 2010 budget include:

- \$40,119 decrease in Salaries and Employee Benefits due to downgrading a full-time position to part-time, offset by a higher Virginia Retirement System rate.
 - Service Impact: Downgrading an Animal Warden position to part-time would result in no weekend coverage and delayed response time during weekday periods of increased service demand.
- \$4,260 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$10,697 increase in Other Charges reflecting protective gear and equipment to outfit two vacant full-time Animal Warden positions, and one part-time Animal Warden position.

The Proposed FY 2011 Police Department – Animal Control Unit budget was adopted by City Council with the following change:

- ♦ \$23,988 increase in Salaries and Employee Benefits reflecting the restoration of one position from part-time to full-time.



Police Department Performance Measures

Goal 1:				
To maintain life safety through effective response time and addressing the community perception of rapid response equating to improved personal safety.				
Objective:				
To maintain the response time to priority calls for service in light of current staffing and overall responsibilities.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Computer-Aided Dispatch (CAD) response time inclusive of dispatch and travel time.	7.02 minutes	7.17 minutes	7.08 minutes	7.17 minutes
Analysis of the Data:				
With the implementation of twelve-hour shifts and its unknown impact in this area as well as the potential for staffing shortages and increased calls for service, the Department expects to maintain the current response time.				

Goal 2:				
To improve public safety and the perception of crime in the community by successfully investigating and clearing a greater percentage of the violent and property crimes that occur and are reported.				
Objective:				
To increase the clearance rate for reported violent and property crimes.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Crime clearance rates				
Violent	41.3%	62.0%	45.7%	62.0%
Property	23.9%	30.9%	29.3%	30.9%
Analysis of the Data:				
Crime clearance rates are a measure of the effectiveness of investigative measures applied by the police department; although, these rates are also impacted by timely reporting by citizens and the cooperation of victims and witnesses. In the past, the Department has normally met or exceeded national standards; however, FY 2008 and 2009 posed some challenges, which prevented meeting these goals. As these were unusual years, the Department intends to meet and sustain the national standards in FY 2010 and FY 2011.				

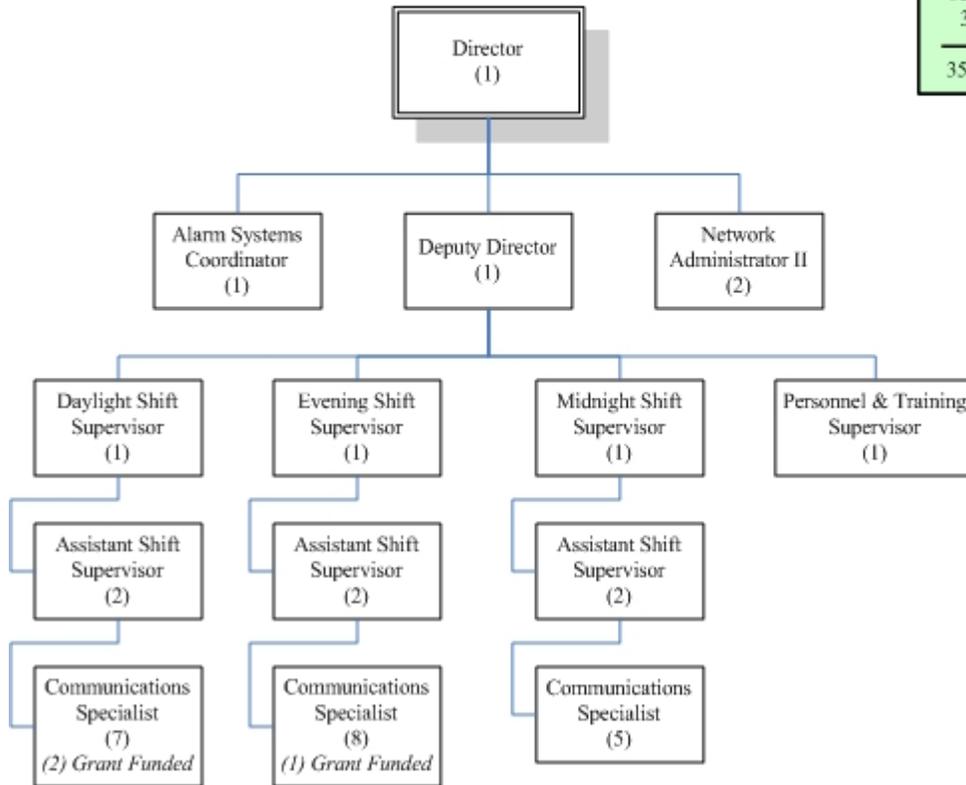
Goal 3:				
To increase safety by reducing dangerous actions by individuals operating motor vehicles, as these actions contribute to injuries and fatalities involving the motorists as well as innocent bystanders.				
Objective:				
To increase traffic safety enforcement efforts, focusing on Driving Under the Influence (DUI) arrests, occupant safety summonses, and speeding summonses.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
DUI Arrests	254	274	112	274
Occupant Restraint	993	702	415	702
Speeding Enforcement	4,013	5,957	2,043	5,957
Analysis of the Data:				
Traffic safety enforcement has the dual benefit of positively impacting traffic safety and educating citizens. However, enforcement efforts are impacted by staffing levels and by other calls for service that reduce time available for proactive enforcement; therefore, no increase is projected in FY 2011.				

Benchmark Localities:
Charlottesville, Chesapeake, Danville, Roanoke, and Suffolk, VA



EMERGENCY SERVICES

POSITION SUMMARY	
.....	
32	City Funded Positions
3	Grant Funded Positions
<hr/>	
35	Total Funded Positions





Emergency Services. The Department of Emergency Services is the primary Public Safety Answering Point (PSAP) for the City of Lynchburg. The primary mission is to serve as the central point of contact for citizens of Lynchburg to request emergency and non-emergency public safety assistance. The Department also provides a full array of public safety dispatch/communications services and oversees the City-wide Emergency Management program.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Civilian Full-Time	31.0	32.0	27.0	32.0	32.0
City Funded Temporary	0.5	0.5	0.0	0.0	0.0
Grant Funded Full-Time	0.0	0.0	0.0	3.0	3.0
TOTAL FTE	31.5	32.5	27.0	35.0	35.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,212,531	\$1,212,523	\$1,037,518	\$1,170,638	\$1,170,638
Employee Benefits	435,929	491,372	444,146	509,005	509,005
Contractual Services	383,984	451,842	443,385	443,385	443,385
Internal Service Charges	2,768	4,595	3,500	3,500	3,500
Other Charges	203,899	173,275	171,270	171,270	171,270
TOTAL EXPENDITURES	\$2,239,111	\$2,333,607	\$2,099,819	\$2,297,798	\$2,297,798
DEDICATED REVENUES					
Recovery E-911 Wireless	\$278,147	\$240,000	\$270,000	\$270,000	\$170,000
TOTAL DEDICATED REVENUES	\$278,147	\$240,000	\$270,000	\$270,000	\$170,000
TOTAL CITY COST	\$1,960,964	\$2,093,607	\$1,829,819	\$2,027,798	\$2,127,798



Emergency Services Budget Description

The Manager's Proposed FY 2011 Emergency Services budget of \$2,297,798 represents a 1.5% decrease of \$35,809 as compared to the Adopted FY 2010 budget of \$2,333,607.

Significant changes compared to the Adopted FY 2010 budget include:

- \$24,252 decrease in Salaries and Employee Benefits reflecting the reduction of one temporary position, offset by a higher Virginia Retirement System rate.
- \$8,457 decrease in Contractual Services primarily due to a one time decrease in the Lynchburg share of maintenance costs related to the Regional Radio System. The Central Virginia Radio Communications Board (CVRCB) voted to use reserve funds to cover 10% of the expected costs to run the system for the next fiscal year. These cuts are sustainable for FY 2011.
- \$2,005 decrease in Other Charges primarily due to downsizing the uniform apparel program.

The Proposed FY 2011 Emergency Services budget was adopted by City Council without changes.



Emergency Services Performance Measures

Goal:
To respond with assistance to all emergency calls for service in an expedient manner.

Objective 1:
Maintain capability to receive all 911 calls for service originating from within the City limits.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Total Day Busy Signals are at 0%	0.34%	0.34%	0.34%	0.34%

Analysis of the Data:
This measures technical capacity to receive incoming 911 calls for service. A study is commissioned from Verizon to calculate the number of unsuccessful calls (received busy signal due to no available line) during a given period of time and then extrapolated for the year.

Objective 2:
Answer all received peak period 911 calls within ten (10) seconds.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percentage answered within ten (10) seconds from 11 AM to 7 PM	Not previously measured	98%	99%	98%

Analysis of the Data:
This is a measure of availability of existing staffing to answer a 911 call for service in a reasonable amount of time. Professional standards dictate that ninety percent (90%) of all 911 calls during peak periods should be answered within ten (10) seconds.

Objective 3:
Complete initial call assessment for emergency calls and route for dispatch within 45 seconds.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Average emergency call assessment time	34.27 seconds	40 seconds	34.8 seconds	40 seconds

Analysis of the Data:
Emergency calls are defined as Stroke, Accident Personal Injury, Chest Pains, Malicious Wounding, Breathing Problems, Structure Fire, Choking, Domestic Violence, Drowning, Fight in Progress, and Severe Bleeding.

Benchmark Localities:
Standards from Association of Public-Safety Communications Officials (APCO)



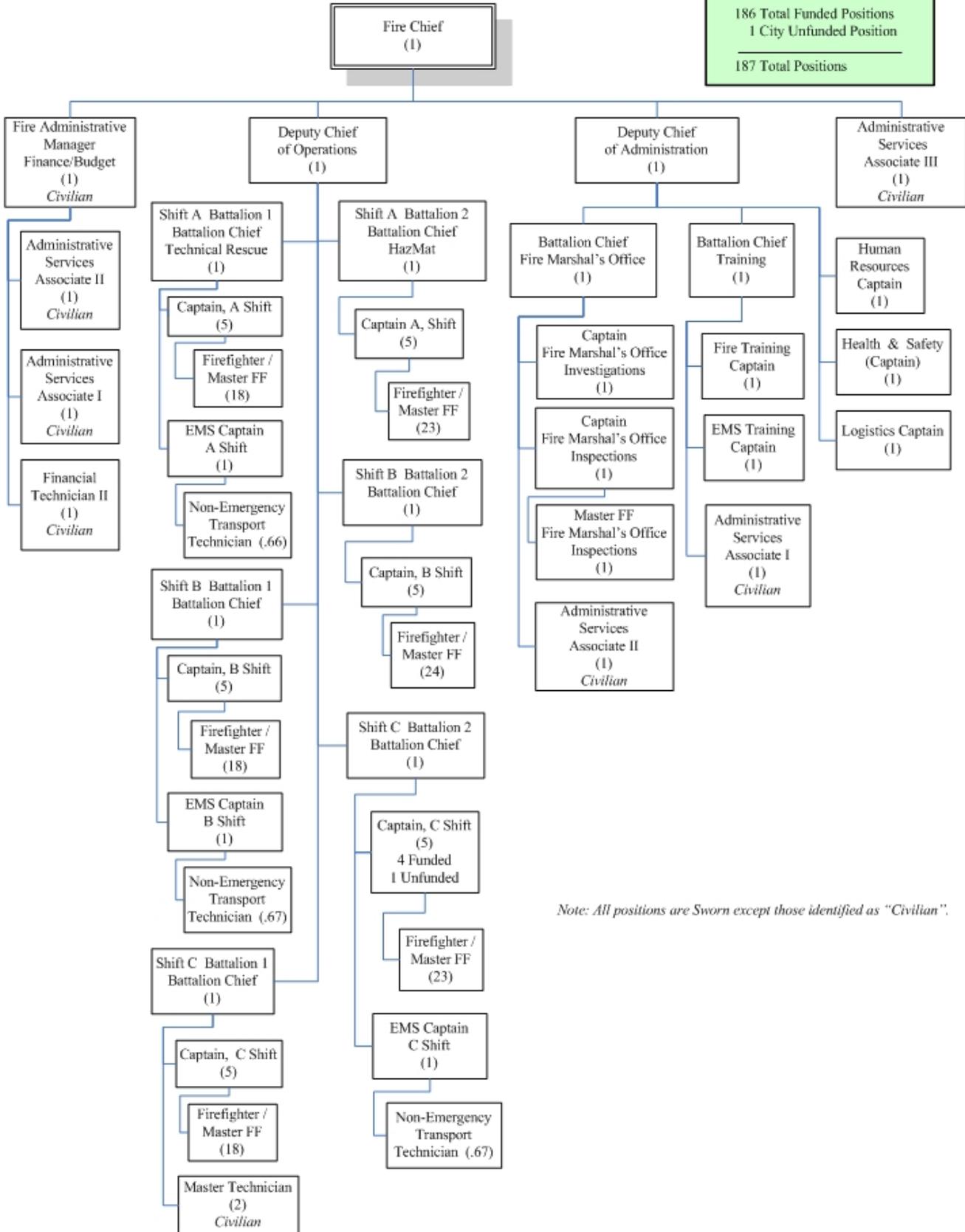
FIRE AND EMS

POSITION SUMMARY

186 City Funded Positions

186 Total Funded Positions
1 City Unfunded Position

187 Total Positions



Note: All positions are Sworn except those identified as "Civilian".



Fire and EMS Department including Technical Rescue Team/Partners in Emergency Response (PIER) Program

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Sworn Full-Time	178.0	178.0	161.0	174.0	177.0
City Funded Civilian Full-Time	8.0	8.0	6.5	8.0	9.0
City Sworn Full-Time Not Funded	0.0	0.0	17.0	4.0	1.0
TOTAL FTE	186.0	186.0	184.5	186.0	187.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$10,026,607	\$10,131,310	\$8,914,638	\$9,577,038	\$9,720,446
Employee Benefits	3,240,521	3,659,830	3,416,979	3,692,343	3,755,892
Contractual Services	243,386	210,964	245,799	245,799	245,799
Internal Service Charges	117,561	144,238	144,700	144,700	144,700
Other Charges	872,183	679,673	659,675	659,675	659,675
Capital Outlay	34,839	0	0	0	0
Total General Fund Expenditures	\$14,535,097	\$14,826,015	\$13,381,791	\$14,319,555	\$14,526,512
Total Grant Expenditures ¹	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
TOTAL DEPARTMENT EXPENDITURES	\$14,719,364	\$15,041,015	\$13,596,791	\$14,534,555	\$14,741,512
DEDICATED REVENUES					
State Grants	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
PIER Outside Contract Agreements	25,500	25,500	25,500	25,500	25,500
PIER Internal Contract Agreements	0	52,500	50,000	50,000	50,000
Designated Reserve	0	0	(28,205)	(28,205)	(28,205)
TOTAL DEDICATED REVENUES	\$209,767	\$293,000	\$262,295	\$262,295	\$262,295
TOTAL CITY COST	\$14,509,597	\$14,748,015	\$13,334,496	\$14,272,260	\$14,479,217

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.



Fire and EMS Department. Provides fire, medical, and other emergency and non-emergency services for the City. The department operates eight fire stations and 49 fire vehicles. Services include:

- Fire prevention through inspections, arson investigations, and public fire safety education.
- Fire suppression.
- Emergency medical services, including Basic Life Support (BLS), Advanced Life Support (ALS), and ambulance transport.
- Technical rescue response, including confined-space, trench, collapse, high-angle rescue, swiftwater, and dive rescue.
- Other emergency and non-emergency services, such as hazardous materials incident response.
- Community services, including public school and neighborhood programs.
- Coordination of ambulance billing and collections services through a third party billing firm.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Sworn Full-Time	178.0	178.0	161.0	174.0	177.0
City Funded Civilian Full-Time	8.0	8.0	6.5	8.0	9.0
City Sworn Full-Time Not Funded	0.0	0.0	17.0	4.0	1.0
TOTAL FTE	186.0	186.0	184.5	186.0	187.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$10,026,607	\$10,131,310	\$8,884,638	\$9,547,038	\$9,690,446
Employee Benefits	3,240,521	3,659,830	3,415,119	3,690,483	3,754,032
Contractual Services	243,386	210,964	245,364	245,364	245,364
Internal Service Charges	117,561	144,238	144,700	144,700	144,700
Other Charges	872,183	679,673	644,675	644,675	644,675
Capital Outlay	34,839	0	0	0	0
Total General Fund Expenditures	\$14,535,097	\$14,826,015	\$13,334,496	\$14,272,260	\$14,479,217
Total Grant Expenditures ¹	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
TOTAL EXPENDITURES	\$14,719,364	\$15,041,015	\$13,549,496	\$14,487,260	\$14,694,217
DEDICATED REVENUES					
State Grants	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
PIER Outside Contract Agreements	25,500	25,500	0	0	0
PIER Internal Contract Agreements	0	52,500	0	0	0
TOTAL DEDICATED REVENUES	\$209,767	\$293,000	\$215,000	\$215,000	\$215,000
TOTAL CITY COST	\$14,509,597	\$14,748,015	\$13,334,496	\$14,272,260	\$14,479,217

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.



Fire and EMS Department Budget Description

The Manager's Proposed FY 2011 Fire and EMS Department budget of \$14,272,260 represents a 3.7% decrease of \$553,755 as compared to the Adopted FY 2010 budget of \$14,826,015.

Significant changes compared to the Adopted FY 2010 budget include:

- \$553,619 decrease in Salaries and Employee Benefits reflecting not funding four sworn full-time positions (a Battalion Chief and three Captains) and filling positions vacated due to retirement of long term employees at a lower rate; these reductions offset a higher Virginia Retirement System rate.
- \$34,400 increase in Contractual Services reflecting a reduction in maintenance and repair funding, as well as an increase in ambulance billing service fees.
- \$34,998 decrease in Other Charges reflecting reductions in training, supplies, and transferring funds to the new Technical Rescue Team/PIER Program sub-department.

The Proposed FY 2011 Fire and EMS Department budget was adopted by City Council with the following change:

- ◆ \$206,957 increase in Salaries and Employee Benefits reflecting the restoration of one full-time Battalion Chief , two full-time Captain positions, and the addition of one full-time position.



Technical Rescue Team/Partners in Emergency Response (PIER) Program

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$0	\$0	\$30,000	\$30,000	\$30,000
Employee Benefits	0	0	1,860	1,860	1,860
Contractual Services	0	0	435	435	435
Other Charges	0	0	15,000	15,000	15,000
TOTAL EXPENDITURES	\$0	\$0	\$47,295	\$47,295	\$47,295
DEDICATED REVENUES					
PIER Outside Contract Agreements	\$0	\$0	\$25,500	\$25,500	\$25,500
PIER Internal Contract Agreements	0	0	50,000	50,000	50,000
Designated Reserve	0	0	(28,205)	(28,205)	(28,205)
TOTAL DEDICATED REVENUES	\$0	\$0	\$47,295	\$47,295	\$47,295
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Fire Department – Technical Rescue Team/PIER Program Budget Description

The Manager’s Proposed FY 2011 Fire Department – Technical Rescue Team/PIER Program budget of \$47,295 represents a 100.0% increase of \$47,295 as compared to the Adopted FY 2010 budget of \$0.

Significant changes compared to the Adopted FY 2010 budget include:

- \$47,295 overall increase as a result of transferring funds to the new Technical Rescue Team/PIER Program sub-department.

The Proposed FY 2011 Fire Department – Technical Rescue Team/PIER Program budget was adopted by City Council without changes.



Fire Department Performance Measures

Goal 1: Increase the likelihood of survival for patients who are in cardiac arrest.				
Objective: Increase the percentage of patients that regain Return of Spontaneous Circulation (ROSC) after cardiac arrest. Strategies include increasing the use of the AutoPulse devices and implementing current recommendations of AHA (American Heart Association) in reference to the treatment of cardiac arrest patients.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Meet or exceed AHA National average of 5-7% of patients with ROSC	New measure	25%	32%	25%
Analysis of the Data: The American Heart Association's national average of 5-7% of patients with ROSC is based on manual CPR. Fortunately, the department has advanced equipment to provide mechanical CPR (AutoPulse device) which provides uniform depth and rate of compressions without any interruptions due to human fatigue. The rate for July - December is 32%; that is of 28 patients with no pulse, nine (9) had Return of Spontaneous Circulation. This can be attributed not only to the mechanical CPR equipment but to short response times, early defibrillation, and early Advanced Life Support (ALS) care. A conservative projection of ROSC for FY 2011 is 25%. Anticipated reductions in staffing are expected to increase response time and response time is directly correlated with success in ROSC.				

Goal 2: Respond in a safe and expeditious manner to emergency incidents (dispatched equipment).				
Objective: Maintain (without compromising safety) an average response time of 360 seconds or less to emergency incidents (response time = time of dispatch to time of arrival of the 1st unit). Strategies include examining response times to determine if another response zone is more appropriate and evaluating traffic patterns and construction zones.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Average response time to an emergency incident	415 seconds	417 seconds	362 seconds	417 seconds
Analysis of the Data: Call volume continues to increase (4.2% increase from FY 2008 to FY 2009); some of this is a result of the aging citizen population and the growth at Liberty University. This increases response time due to the need for equipment to respond outside of designated response zones. In FY 2010 and 2011, reduced overtime budgets, combined with vacancies due to retirements, will cause staffing deficiencies. Another factor is the ever-increasing State EMS reporting requirements which take more time to complete. Note: Projections are based on a 5-year trend analysis utilizing historical data from FY 2005 - FY 2009.				



Fire Department Performance Measures continued

Goal 3:
Maintain or reduce average structure fire loss (in dollars) per incident.

Objective:
Limit structure fire loss per incident to below \$40,000. Strategies include increasing the number of inspections, the number of public education events, and the oversight in new construction and site design.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Average structure fire loss per incident per fiscal year	\$17,243	\$31,676	\$27,636	\$27,877

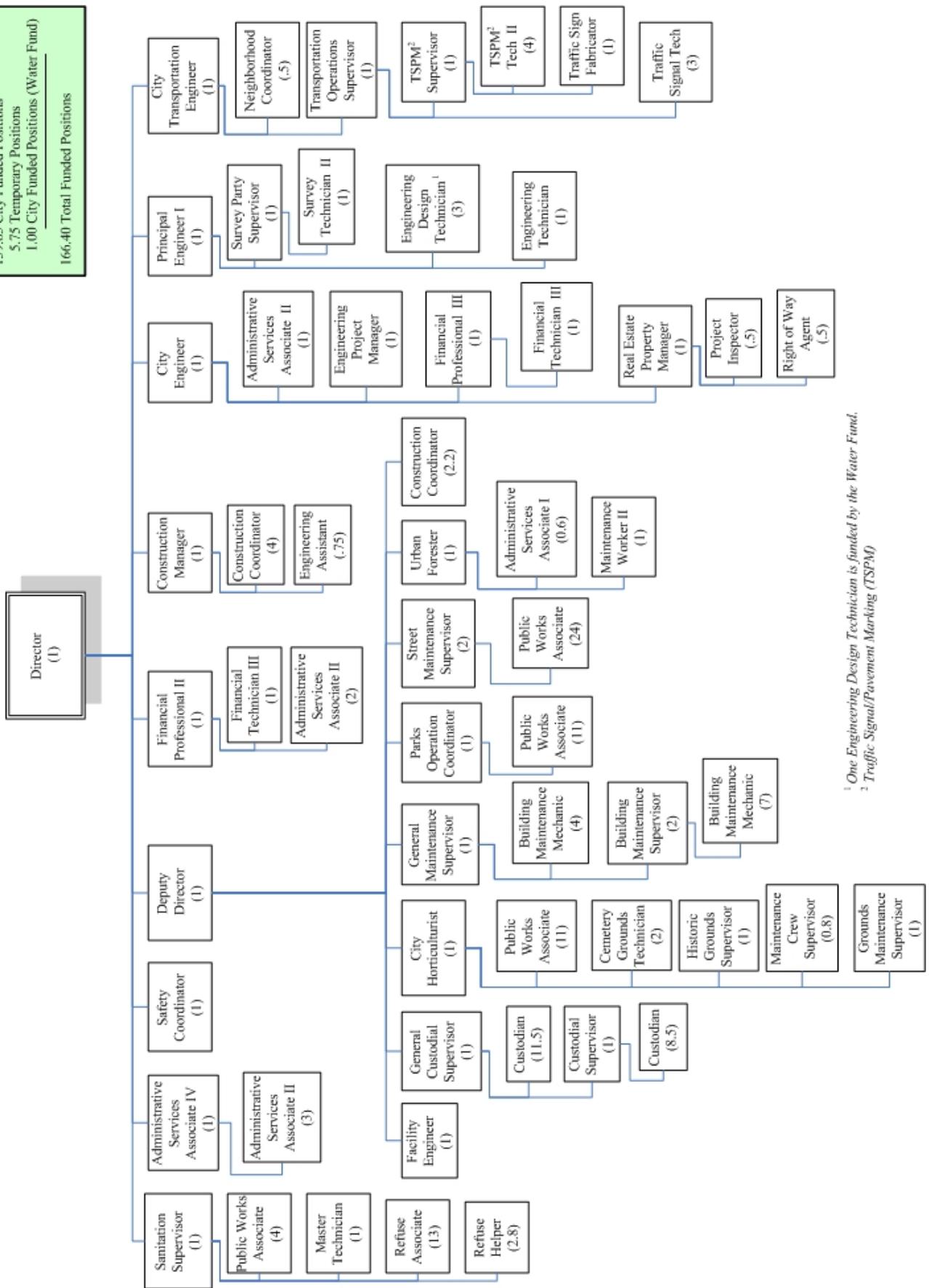
Analysis of the Data:
Although the department has seen a decrease in "investigatable fires," it has also experienced an increase in accidental fires (e.g. cooking-related fires). The increase in losses can be directly related to building costs and price of materials. Although contractors are more willing to cut their prices to be awarded contracts, building materials cost continue to rise.
Note: Projections are based on a 5-year trend analysis utilizing historical data from FY 2005 through FY 2009.

Benchmark Localities:
Charlottesville, Danville, Roanoke, Staunton, Hampton, and Petersburg, VA



POSITION SUMMARY
 159.65 City Funded Positions
 5.75 Temporary Positions
 1.00 City Funded Positions (Water Fund)
 166.40 Total Funded Positions

PUBLIC WORKS



¹ One Engineering Design Technician is funded by the Water Fund.

² Traffic Signal/Pavement Marking (TSPM)



Public Works

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	131.00	129.00	149.50	149.50	150.00
City Funded Part-Time	0.00	0.50	9.65	9.65	9.65
City Funded Temporary	20.39	12.04	5.75	5.75	5.75
City Funded Full-Time (Water Fund) ¹	0.00	0.00	0.00	1.00	1.00
TOTAL FTE	151.39	141.54	164.90	165.90	166.40
BUDGET SUMMARY					
EXPENDITURES					
Salaries ¹	\$4,547,837	\$4,428,992	\$5,539,302	\$5,559,302	\$5,581,558
Employee Benefits ¹	1,572,401	1,860,641	2,302,863	2,305,923	2,315,233
Contractual Services	4,344,130	2,905,693	2,308,242	2,311,279	2,311,279
Internal Service Charges	903,786	1,087,883	1,066,400	1,076,900	1,076,900
Other Charges	2,585,700	2,523,409	3,544,054	3,626,897	3,626,897
Capital Outlay	100,662	0	0	0	0
Payment to Regional Service Authority	820,645	831,468	831,468	831,468	831,468
Other Disposal Charges	0	61,059	0	0	0
TOTAL DEPARTMENT EXPENDITURES	\$14,875,161	\$13,699,145	\$15,592,329	\$15,711,769	\$15,743,335
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance ²	\$4,335,923	\$4,439,867	\$7,234,051	\$7,234,051	\$7,234,051
State Categorical Aid - Urban Project Overhead ²	0	0	10,000	10,000	10,000
Federal Categorical Aid - Urban Project Overhead ²	0	0	40,000	40,000	40,000
Federal Categorical Aid - Human Services B&G Reimburse	24,757	32,000	25,000	25,000	25,000
TOTAL DEDICATED REVENUES	\$4,360,680	\$4,471,867	\$7,309,051	\$7,309,051	\$7,309,051
TOTAL CITY COST	\$10,514,481	\$9,227,278	\$8,283,278	\$8,402,718	\$8,434,284

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with one position; supervision will remain in the General Fund.

² Effective July 1, 2010, the Engineering Division is transferred to the Department of Public Works; the associated revenue is shifted as well.



Public Works – Administration. Responsible for the overall planning, leadership, and guidance to the Department. In addition, human resources management, neighborhood coordination, operational safety, and administrative support are services provided to the Department’s Divisions.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	11	11	11	11	11
TOTAL FTE	11	11	11	11	11
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$481,308	\$487,757	\$486,176	\$486,176	\$486,176
Employee Benefits	169,732	193,050	203,500	203,500	203,500
Contractual Services	3,478	9,450	5,450	5,450	5,450
Internal Service Charges	5,949	5,940	5,300	5,300	5,300
Other Charges	21,306	19,738	16,188	16,188	16,188
TOTAL CITY COST	\$681,773	\$715,935	\$716,614	\$716,614	\$716,614

Public Works – Administration Budget Description

The Manager’s Proposed FY 2011 Public Works – Administration budget of \$716,614 represents a 0.1% increase of \$679 as compared to the Adopted FY 2010 budget of \$715,935.

Significant changes compared to the Adopted FY 2010 budget include:

- \$8,869 increase in Salaries and Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$4,000 decrease in Contractual Services reflecting reductions in printed materials, advertising, and on-site training.
- \$3,550 decrease in Other Charges reflecting less funding for professional development.

The Proposed FY 2011 Public Works – Administration budget was adopted by City Council without changes.



Public Works – Building Maintenance. Performs custodial services, preventative maintenance and emergency repair of approximately one million square feet of City-owned buildings, parking decks and structures located in parks and stadiums. Some of the equipment maintained by the Division includes HVAC, electrical and plumbing systems, lock and key services as well as carpentry services. Building Maintenance maintains all athletic field lighting, fencing, pavilions and playground equipment located at City Stadium and parks throughout the City. The Division is responsible for (1) the opening, closing, and repair of the pool located in Miller Park; (2) moving furniture and equipment for City departments as requested; (3) delivering mail to City Council and providing support in preparation for Council meetings; (4) providing support for special events; and (5) sidewalk snow removal at City buildings as well as providing other services during emergency situations. The Division also provides support to the Registrar’s Office during elections by delivering and setting up voting booths and other items needed on Election Day.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	39.00	40.00	37.50	37.50	37.50
City Funded Part-Time	0.00	0.50	0.50	0.50	0.50
City Funded Temporary	0.50	0.50	0.45	0.45	0.45
TOTAL FTE	39.50	41.00	38.45	38.45	38.45
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,275,974	\$1,239,971	\$1,127,010	\$1,127,010	\$1,127,010
Employee Benefits	456,375	554,648	511,399	511,399	511,399
Contractual Services	267,987	303,657	227,878	227,878	227,878
Internal Service Charges	62,330	50,642	61,200	61,200	61,200
Other Charges	1,087,507	1,067,130	1,090,636	1,090,636	1,090,636
Capital Outlay	4,839	0	0	0	0
TOTAL CITY COST	\$3,155,012	\$3,216,048	\$3,018,123	\$3,018,123	\$3,018,123

Public Works – Building Maintenance Budget Description

The Manager’s Proposed FY 2011 Public Works – Building Maintenance budget of \$3,018,123 represents a 6.2% decrease of \$197,925 as compared to the Adopted FY 2010 budget of \$3,216,048.

Significant changes compared to the Adopted FY 2010 budget include:

- \$156,210 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time Custodian Supervisor position and a full-time Building Maintenance position, transferring .5 FTE of a full-time Building Maintenance position to the Department of Parking Management, and a .05 FTE reduction in temporary funding, offset by a higher Virginia Retirement System rate.

Service Impact: This reduction in staff will lengthen the time to perform maintenance and custodial work.

- \$75,779 decrease in Contractual Services reflecting a \$2,925 reduction in maintenance and repair services, a \$2,500 reduction in the use of architectural and engineering services, a \$1,879 reduction in uniform rental services, and a \$67,400 reduction due to the elimination of the energy conservation contract.
- \$10,558 increase in Internal Service Charges based on Fleet Administration estimates.
- \$23,506 increase in Other Charges reflecting a focus on necessary repairs and maintenance, a proposed 10.5% rate increase by AEP, a proposed 4% rate increase by Utilities, and lower charges as estimated by the gas company.

The Proposed FY 2011 Public Works – Building Maintenance budget was adopted by City Council without changes.



Public Works – Human Services Building. The Division of Buildings and Grounds provides building maintenance and utilities for the Human Services Building at 99 9th Street. This sub-department is used to track maintenance and utility expenditures for the purposes of state reimbursement.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$53,227	\$58,663	\$57,191	\$57,191	\$57,191
Other Charges	175,695	183,091	185,978	185,978	185,978
TOTAL EXPENDITURES	\$228,922	\$241,754	\$243,169	\$243,169	\$243,169
DEDICATED REVENUES					
Federal Categorical Aid - Human Services B&G Reimburse	\$24,757	\$32,000	\$25,000	\$25,000	\$25,000
TOTAL DEDICATED REVENUES	\$24,757	\$32,000	\$25,000	\$25,000	\$25,000
TOTAL CITY COST	\$204,165	\$209,754	\$218,169	\$218,169	\$218,169

Public Works – Human Services Building Budget Description

The Manager’s Proposed FY 2011 Public Works – Human Services Building budget of \$243,169 represents a 0.6% increase of \$1,415 as compared to the Adopted FY 2010 budget of \$241,754.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,887 increase in Other Charges reflecting expenses based on prior history and a proposed 10.5% rate increase by AEP.

The Proposed FY 2011 Public Works – Human Services Building budget was adopted by City Council without changes.



Public Works – Parks and Grounds Maintenance. Provides grounds maintenance for all City property except school property (over 700 acres). Includes weed and leaf removal, mowing, landscaping, sodding, planting, pruning and seeding as well as fertilizer and pesticide application. The contract forestry service maintains street trees and trees located on other public property. The City’s annual flower/spring bulb program is carried out within this work unit.

All athletic fields at the City’s parks, recreational facilities and the City Stadium are maintained to regulation. Provides maintenance and repairs to all recreation buildings and equipment. During winter months, personnel assist in the maintenance of fences, posts, benches, playground equipment, tables and other equipment located in the City parks and in snow removal. Personnel provide support for festivals and maintain bikeways and hiking trails.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	30.00	29.00	28.00	28.00	28.00
City Funded Part-Time	0.00	0.00	3.40	3.40	3.40
City Funded Temporary	14.00	8.00	3.90	3.90	3.90
TOTAL FTE	44.00	37.00	35.30	35.30	35.30
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,086,481	\$1,047,512	\$997,404	\$997,404	\$997,404
Employee Benefits	359,534	418,775	404,940	404,940	404,940
Contractual Services	293,747	200,916	202,868	202,868	202,868
Internal Service Charges	345,110	357,340	303,600	304,100	304,100
Other Charges	484,902	542,686	491,525	491,525	491,525
Capital Outlay	43,250	0	0	0	0
TOTAL EXPENDITURES	\$2,613,024	\$2,567,229	\$2,400,337	\$2,400,837	\$2,400,837
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$718,033	\$725,125	\$715,619	\$715,619	\$715,619
TOTAL DEDICATED REVENUES	\$718,033	\$725,125	\$715,619	\$715,619	\$715,619
TOTAL CITY COST	\$1,894,991	\$1,842,104	\$1,684,718	\$1,685,218	\$1,685,218



Public Works – Parks and Grounds Maintenance Budget Description

The Manager’s Proposed FY 2011 Public Works – Parks and Grounds Maintenance budget of \$2,400,837 represents a 6.5% decrease of \$166,392 as compared to the Adopted FY 2010 budget of \$2,567,229.

Significant changes compared to the Adopted FY 2010 budget include:

- \$63,943 decrease in Salaries and Employee Benefits reflecting the elimination of one full-time Public Works Associate position as well as reductions in overtime and temporary funding, offset by a higher Virginia Retirement System rate.
Service Impact: This reduction in staff will lengthen the time to perform maintenance and custodial work.
- \$4,497 increase in Contractual Services reflecting higher monthly container rental and pull costs for refuse disposal.
- \$1,952 decrease in Contractual Services reflecting a reduction in the number of uniforms provided to city employees.
- \$53,740 decrease in Internal Services charges based on Fleet Administration estimates.
- \$51,161 decrease in Other Charges reflecting the reduction in purchase of mulch, seed and materials, building materials in the City Parks, offset by a 10.5% rate increase proposed by AEP
Service Impact: This reduction will reduce the amount of grounds maintenance that can be performed.

The Proposed FY 2011 Public Works – Parks and Grounds Maintenance budget was adopted by City Council without changes.



Public Works – Engineering Division. Provides a variety of professional and technical work relating to the physical development of the City. Responsible for the design, development, and supervision of construction projects for the City. Responsibilities include capital project planning for buildings, streets, water and sewer facilities, street and bridge maintenance programs. Monitors the need for various traffic control devices and street improvements. Reviews all street design improvements. Oversees the City's street lighting system and coordinates the signals at 118 intersections in the City. Maintains a close liaison with the Virginia Department of Transportation. Acquires and disposes of municipal real property for City use and manages City-owned property leases. The City Engineer also assists on the Technical Review Committee.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	0.00	0.00	28.00	28.00	28.50
City Funded Part-Time	0.00	0.00	1.75	1.75	1.75
City Funded Full-Time (Water Fund) ¹	0.00	0.00	0.00	1.00	1.00
TOTAL FTE	0.00	0.00	29.75	30.75	31.25
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$0	\$0	\$1,395,180	\$1,395,180	\$1,417,436
Employee Benefits	0	0	548,915	548,915	558,225
Contractual Services	0	0	55,110	55,110	55,110
Internal Service Charges	0	0	55,600	55,600	55,600
Other Charges	0	0	1,220,021	1,280,021	1,280,021
TOTAL EXPENDITURES	\$0	\$0	\$3,274,826	\$3,334,826	\$3,366,392
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance ²	\$0	\$0	\$2,912,704	\$2,912,704	\$2,912,704
State Categorical Aid - Urban Project Overhead ²	0	0	10,000	10,000	10,000
Federal Categorical Aid - Urban Project Overhead ²	0	0	40,000	40,000	40,000
TOTAL DEDICATED REVENUES	\$0	\$0	\$2,962,704	\$2,962,704	\$2,962,704
TOTAL CITY COST	\$0	\$0	\$312,122	\$372,122	\$403,688

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with one position; supervision will remain in the General Fund.

² Effective July 1, 2010, the Engineering Division is transferred to the Department of Public Works; the associated revenue is shifted as well.

**Public Works – Engineering Division Budget Description**

The Manager's Proposed FY 2011 Public Works – Engineering Division budget of \$3,334,826 represents a 15.4% decrease of \$606,301 as compared to the Adopted FY 2010 budget of \$3,941,127 shown in the Community Development section of this document.

Significant changes compared to the Adopted FY 2010 budget include:

- \$508,921 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time Engineering Project Manager, a full-time Traffic Signal Electrician Supervisor, two full-time Civil Engineer II's, and two part-time Right-Of-Way Agents. Also, the transfer of one Civil Engineer II, one Construction Coordinator, and one Design Technician to Utilities and one Neighborhood Program Manager to Inspections, offset by a higher Virginia Retirement System rate.

Service Impact: These staff reductions will reduce the ability of staff to devote the appropriate amount of time for reviews of development and infrastructure projects, resulting in slowing the completion of the City's Urban Construction Program or jeopardizing the funding by not being able to meet all of the Federal requirements. Response times for concerns and complaints will also be affected. The storm water permit may potentially be jeopardized due to insufficient resources. The capacity to complete capital projects will also be significantly reduced. The records in the map room may need to be closed to citizens except by appointment. Some work will be transferred to consultants, which will reduce the span of control and increase project costs.

- \$25,500 decrease in Contractual Services reflecting reductions in traffic studies, software maintenance, computer hardware maintenance, and mechanical maintenance and repair services.
- \$13,435 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$58,445 decrease in Other Charges reflecting reductions in traffic signal upgrades and maintenance, office supplies, and cellular phone service, as well as transferring the Clay Street parking lease to the Department of Parking Management budget.

The Proposed FY 2011 Public Works – Engineering Division budget was adopted by City Council with the following change:

- ◆ \$31,566 increase in Salaries and Employee Benefits to reflect split funding with the Community Development – Inspections and Code Enforcement Division for the Neighborhood Program Manager position.



Public Works – Street Maintenance. The Streets Maintenance program encompasses the administration and maintenance of approximately 853 lane miles of roadway, 340 miles of shoulders and 181 miles of sidewalks. The administration includes functions such as budget control, staffing, planning, employee development and centralized processing of the core business personnel, payroll transactions and records. The maintenance is done by City street crews and private contractors through various types of patching and surface repairs, road-shoulder maintenance, and drainage maintenance. Street sweeping and leaf collection are also considered core functions of the Streets Division. Nearly all functions of the Streets Division are eligible for full reimbursement from the Virginia Department of Transportation (VDOT). Nearly one-third of the Streets Division’s budget is used for contractual repairs and installations of sidewalks, guardrails, and all drainage systems that handle City street water runoff.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	30.0	29.0	26.0	26.0	26.0
City Funded Part-Time	0.0	0.0	1.2	1.2	1.2
City Funded Temporary	2.8	2.0	1.4	1.4	1.4
TOTAL FTE	32.8	31.0	28.6	28.6	28.6
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$941,041	\$944,392	\$851,233	\$851,233	\$851,233
Employee Benefits	333,047	408,676	361,594	361,594	361,594
Contractual Services	3,361,320	2,155,715	1,599,975	1,599,975	1,599,975
Internal Service Charges	372,880	404,120	386,600	389,100	389,100
Other Charges	259,580	313,678	248,053	248,053	248,053
Capital Outlay	9,679	0	0	0	0
TOTAL EXPENDITURES	\$5,277,547	\$4,226,581	\$3,447,455	\$3,449,955	\$3,449,955
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$3,224,860	\$3,284,742	\$3,214,019	\$3,214,019	\$3,214,019
TOTAL DEDICATED REVENUES	\$3,224,860	\$3,284,742	\$3,214,019	\$3,214,019	\$3,214,019
TOTAL CITY COST	\$2,052,687	\$941,839	\$233,436	\$235,936	\$235,936



Public Works – Street Maintenance Budget Description

The Manager’s Proposed FY 2011 Public Works – Street Maintenance budget of \$3,449,955 represents an 18.4% decrease of \$776,626 as compared to the Adopted FY 2010 budget of \$4,226,581.

Significant changes compared to the Adopted FY 2010 budget include:

- \$140,241 decrease in Salaries and Employee Benefits reflecting the elimination of three positions, offset by a higher Virginia Retirement System rate.
Service Impact: The elimination of these positions will lengthen the amount of time for leaf collection, snow removal, and street maintenance activities.
- \$555,740 decrease in Contractual Services reflecting a reduction in printed materials, advertising, on-site training, and highway/street services.
Service Impact: These reductions will significantly reduce the amount of maintenance (sidewalk, guardrail and resurfacing) performed on city streets by contractors.
- \$15,020 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$65,625 decrease in Other Charges reflecting a reduction in professional development and fewer materials to be used for patching and sealing of potholes and pavement cracks.
Service Impact: These reductions will significantly reduce the amount of crack sealing and patching that can be accomplished.

The Proposed FY 2011 Public Works – Street Maintenance budget was adopted by City Council without changes.



Public Works – Snow and Ice Removal. The snow and ice removal program involves nearly all Public Works personnel and equipment to clear over 853 lane miles of City streets of snow, ice, and slush. The City also maintains two salt barns capable of storing over 6,000 tons of rock salt. There is also a store of slag material and two 5,000-gallon liquid calcium chloride tanks.

The only labor expenses charged to this budget are those overtime costs directly associated with snow/ice removal operations. All non-overtime labor costs are charged to the regular, full or part-time wage code for the employees’ home divisions.

For those accounts in which trends and averages would have been the prime factor for budget calculation, the budget has been set based on predictions of minimal snowfall for the year.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$38,402	\$65,000	\$45,000	\$65,000	\$65,000
Employee Benefits	2,696	6,503	3,443	6,503	6,503
Contractual Services	16,632	7,957	4,920	7,957	7,957
Internal Service Charges	81,231	94,506	81,400	88,900	88,900
Other Charges	103,837	77,493	54,650	77,493	77,493
TOTAL EXPENDITURES	\$242,798	\$251,459	\$189,413	\$245,853	\$245,853
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$131,010	\$130,000	\$130,570	\$130,570	\$130,570
TOTAL DEDICATED REVENUES	\$131,010	\$130,000	\$130,570	\$130,570	\$130,570
TOTAL CITY COST	\$111,788	\$121,459	\$58,843	\$115,283	\$115,283

Public Works – Snow and Ice Removal Budget Description

The Manager’s Proposed FY 2011 Public Works – Snow and Ice Removal budget of \$245,853 represents a 2.2% decrease of \$5,606 as compared to the Adopted FY 2010 budget of \$251,459.

Significant changes compared to the Adopted FY 2010 budget include:

- \$5,606 decrease in Fleet Services based on Fleet Administration estimates.

The Proposed FY 2011 Public Works – Snow and Ice Removal budget was adopted by City Council without changes.



Public Works – Refuse. The program encompasses the collection of refuse, bulk, and brush from homes and small businesses. A fleet of semi-automated trucks provide weekly household collection on a daily basis throughout the City. Approximately, 21,000 households and 500 businesses are served by this program with an average of 14,750 tons of refuse collected annually. The collection of bulk and brush is provided on an on-call basis and the collection of litter and dead animal is also performed on an as needed basis.

In addition, the recycling program oversees and supports various unmanned drop-off recycling sites located throughout the City. The primary objectives of the drop-off recycling program are the following: to promote public-private citizen partnerships; to increase community awareness of solid waste in general and specifically recycling by offering a comparatively low cost option as a partial solution. This service directly supports City beautification and litter prevention activities through citizen support. This division has ten neighborhood facilities for public recycling of plastics, newspaper, cans, and mixed paper and works with approximately 70 groups which volunteer to collect litter from City streets.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	21.00	20.00	19.00	19.00	19.00
City Funded Part-Time	0.00	0.00	2.80	2.80	2.80
City Funded Temporary	3.09	1.54	0.00	0.00	0.00
TOTAL FTE	24.09	21.54	21.80	21.80	21.80
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$724,631	\$644,360	\$637,299	\$637,299	\$637,299
Employee Benefits	251,017	278,989	269,072	269,072	269,072
Contractual Services	347,739	169,335	154,850	154,850	154,850
Internal Service Charges	36,286	175,335	172,700	172,700	172,700
Other Charges	452,873	319,593	237,003	237,003	237,003
Capital Outlay	42,894	0	0	0	0
Payment to Regional Service Authority	820,645	831,468	831,468	831,468	831,468
Other Disposal Charges	0	61,059	0	0	0
TOTAL EXPENDITURES	\$2,676,085	\$2,480,139	\$2,302,392	\$2,302,392	\$2,302,392
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance	\$262,020	\$300,000	\$261,139	\$261,139	\$261,139
TOTAL DEDICATED REVENUES	\$262,020	\$300,000	\$261,139	\$261,139	\$261,139
TOTAL CITY COST	\$2,414,065	\$2,180,139	\$2,041,253	\$2,041,253	\$2,041,253

**Public Works – Refuse Budget Description**

The Manager's Proposed FY 2011 Public Works – Refuse budget of \$2,302,392 represents a 7.2% decrease of \$177,747 as compared to the Adopted FY 2010 budget of \$2,480,139.

Significant changes compared to the Adopted FY 2010 budget include:

- \$16,978 decrease in Salaries and Employee Benefits reflecting the elimination of one full-time recycling position, offset by a higher Virginia Retirement System rate.
Service Impact: This reduction in staff will reduce the amount of maintenance and pulls from the recycling sites – may possibly require a reduction in the number of recycling drop-off sites
- \$14,485 decrease in Contractual Services reflecting a reduction in advertising and in the number of uniforms provided to City employees.
- \$2,635 decrease in Internal Services based on Fleet Administration estimates.
- \$82,879 decrease in Other Charges reflecting a reduction in gas/diesel purchased from a private company which reflects prior history and savings from brush and bulk collection changes.
Service Impact: This will require citizens and refuse collectors to adjust to a new system in which the refuse collectors will collect small piles of bulk as they collect regular weekly trash. The new system will allow bulk and brush materials to be collected without calling to schedule an appointment. The refuse collectors will be going from an eight hour work day to a 10 hour work day. Residents will still need to call to schedule a pickup for white goods and tires.
- \$61,059 decrease in Other Charges based on no longer paying the Leachate Treatment Charge.

The Proposed FY 2011 Public Works – Refuse budget was adopted by City Council without changes.



Public Works Performance Measures

Goal 1: Provide solid waste collection as economically as possible.				
Objective: Collect solid waste in a cost effective and efficient manner.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Operating and maintenance expenditures per ton of refuse collected.	\$45.74	\$48.03	\$47.99	\$49.43
Analysis of the Data: Actual costs reflect a very efficient operation. The employees have been involved in analyzing and balancing routes. Employees are strongly committed to providing excellent customer service in a cost efficient manner. The cost is expected to increase each year due to higher fuel, parts, and repair costs.				
Benchmark Localities: Chesapeake, Danville, Harrisonburg, and Spotsylvania County, VA; Longmont, CO				

Goal 2: Citizen approval of the appearance of parks and recreation facilities.				
Objective: Increase the percentage of citizens giving an excellent or good rating of the appearance of parks and recreation facilities.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percentage of Parks and Recreation facilities rated as excellent or good.	No rating	15%	No rating - will be conducted in the Spring	20%
Analysis of the Data: This performance measure helps the City understand the users' rating and perception of the city parks and recreation facilities. This area was rated in 2006 (rating of 10%) and was left off in 2008, but will be placed back in for rating in 2010.				
Benchmark Localities: Charlottesville, Danville, Harrisonburg, Herndon, and James City County, VA				

Goal 3: Support the safety of the traveling public and the operating efficiency of the streets infrastructure system as economically as possible.				
Objective: Perform street maintenance activities in a cost effective and efficient manner.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Road rehabilitation expenditures per paved lane mile.	\$3,357	\$3,525	\$1,798	\$3,400
Analysis of the Data: Actual costs reflect a very efficient operation. Costs to maintain and repair streets have been very dynamic during the past several years with the cost of asphalt and patching material increasing significantly. The City has sought to perform more maintenance in order to lengthen the life of the streets leading to the expected increase in cost per lane mile.				
Benchmark Localities: Blacksburg, Danville, Harrisonburg, and Richmond, VA; Salem, OR				



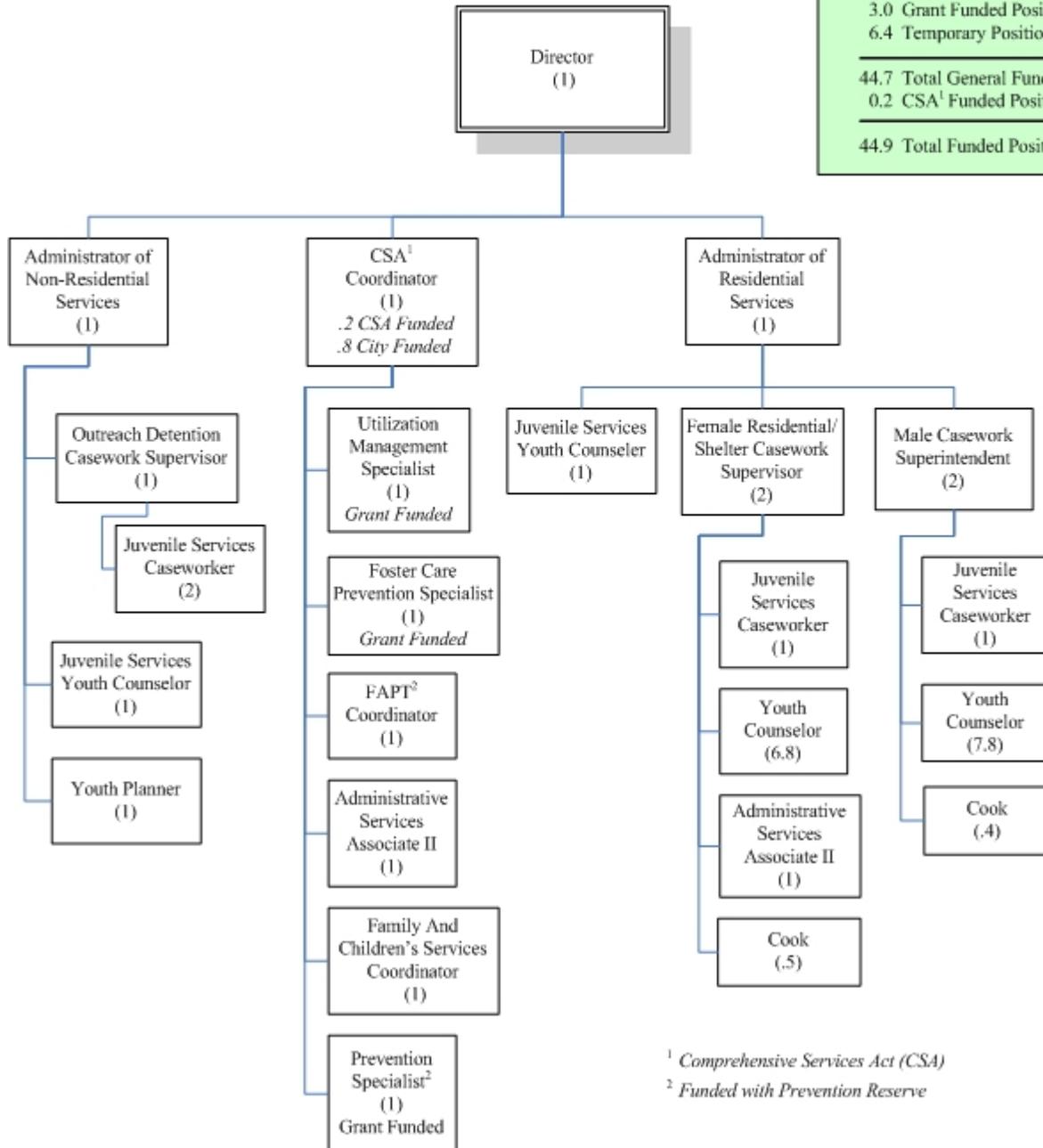
Public Works Performance Measures (continued)

Goal 4: Improve the timeliness and on-budget delivery of capital projects managed by the Engineering Division in excess of				
Objective: Complete capital project delivery that is both on time and within budget as defined on the capital improvement program project detail sheet.				
Performance Measure:				
	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percentage of Projects:				
On time	New Measure	75%	80%	78%
Within budget	New Measure	80%	60%	78%
Analysis of the Data: This is a new performance measure and will become the baseline in FY 2010. Staff's long-term goal is to be within budget and on time with 90% of the projects.				
Benchmark Localities: Virginia Department of Transportation; Roanoke and Danville, VA				



JUVENILE SERVICES

POSITION SUMMARY	
35.3	City Funded Positions
3.0	Grant Funded Positions
6.4	Temporary Positions
<hr/>	
44.7	Total General Fund Positions
0.2	CSA ¹ Funded Positions
<hr/>	
44.9	Total Funded Positions



¹ Comprehensive Services Act (CSA)

² Funded with Prevention Reserve



Juvenile Services. Fosters the development of resources, programs and social policies aimed at supporting at-risk youth and their families who are experiencing involvement with the Juvenile Justice System. Three major program areas include (1) secure, less secure and highly supervised pre-disposition and post-disposition residential services, (2) non-residential home based supervision and community service/restitution services, and (3) coordination and administration of local and regional initiatives that receive funds from multiple sources.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	40.10	39.80	32.80	32.80	32.80
City Funded Part-Time	2.40	1.60	2.50	2.50	2.50
City Funded Temporary	6.60	6.60	6.40	6.40	6.40
Grant Funded Full-Time	2.00	2.00	2.00	3.00	3.00
Grant Funded Part-Time	0.00	0.75	0.75	0.00	0.00
TOTAL FTE	51.10	50.75	44.45	44.70	44.70
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,564,834	\$1,715,748	\$1,481,889	\$1,492,420	\$1,492,420
Employee Benefits	540,047	650,725	580,955	593,550	593,550
Contractual Services	2,045,639	1,735,008	1,680,015	2,034,481	2,034,481
Internal Service Charges	24,207	35,865	27,800	27,800	27,800
Other Charges	173,491	174,857	162,490	162,490	162,490
Total General Fund Expenditures	\$4,348,218	\$4,312,203	\$3,933,149	\$4,310,741	\$4,310,741
Total Grant Expenditures ¹	\$15,271	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL EXPENDITURES	\$4,363,489	\$4,332,203	\$3,953,149	\$4,330,741	\$4,330,741
DEDICATED REVENUES					
State Categorical Aid	\$325,530	\$321,201	\$304,541	\$304,541	\$304,541
Juvenile Service Providers	617,329	685,499	722,817	722,817	722,817
Federal Grants	15,271	20,000	20,000	20,000	20,000
TOTAL DEDICATED REVENUES	\$958,130	\$1,026,700	\$1,047,358	\$1,047,358	\$1,047,358
TOTAL CITY COST	\$3,405,359	\$3,305,503	\$2,905,791	\$3,283,383	\$3,283,383

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.



Juvenile Services Budget Description

The Manager’s Proposed FY 2011 Juvenile Services budget of \$4,310,741 represents a minimal decrease of \$1,462 as compared to the Adopted FY 2010 budget of \$4,312,203.

Significant changes compared to the Adopted FY 2010 budget include:

- \$190,391 decrease in Salaries and Employee Benefits reflecting the elimination of two Administrative Associate IIs, two Caseworkers, a Resident Care Superintendent, and Youth Counselor, as well as converting a 0.75 FTE Prevention Specialist from part-time to full-time.
Service Impact: The impact of the staff reductions to service delivery will be greatly minimized with the ability to fill vacant direct care positions as they occur.
- \$110,363 decrease in various line items reflecting the elimination of the Day Services Program, including a Caseworker and Youth Counselor position.
Service Impact: Due to the elimination of the Day Services Program there will be fewer options available to the Courts for truants and first-time offenders.
- \$299,473 increase in Contractual Services reflecting the transfer of grounds services to Public Works – Buildings and Grounds (\$1,200), a reduction in building maintenance (\$100), a reduction in the Lynchburg per diem due to the elimination of the Deputy Superintendent, as well as fewer youth being detained (\$65,000), an increase in the local match for CSA (\$375,773), and a reduction in the utilization of Genesis House (\$10,000).

The Proposed FY 2011 Juvenile Services budget was adopted by City Council without changes.



Juvenile Services Performance Measures

Goal 1:
Program participants will successfully complete Juvenile Services programs.

Objective:
Participants will successfully complete all program requirements as outlined in the Individualized Service Plans (ISPs).

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
At least 75% of participants will successfully complete the program (average of all programs).	80%	83%	87%	84%

Analysis of the Data:
While the State Department of Juvenile Justice has set a 75% successful completion rate, it is anticipated, based on the current treatment plan methodologies and past success rates that Juvenile Services can achieve an 87% success rate for FY 2010. However, it is important to note that there are various, uncontrollable factors that impact successful program completion.

Goal 2:
Outreach Detention program participants are in compliance with court orders.

Objective:
Participants are available for all scheduled court appearances.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
At least 95% of program participants will be present at all scheduled court hearings.	99%	97%	100%	98%

Analysis of the Data:
While Juvenile Services achieved 100% attendance for the first half of FY 2010, it is very difficult to project 100% success when providing services to at-risk youth. A number of uncontrollable factors can impact whether or not a youth is available for and present at all scheduled court hearings; as a result, projected figures are less than 100%.

Goal 3:
Participants will gain an appreciation of the value of community service.

Objective:
Program participants will successfully complete court-ordered community service activities (service learning) and projects.

Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
At least 90% of program participants will complete court-ordered community services activities.	100%	93%	99%	95%

Analysis of the Data:
As with Goal 2, it is very difficult to project 100% success when providing services to at-risk youth. A number of uncontrollable factors can impact successful completion of community services hours; as a result, projected figures are less than 100%.

Benchmark Localities:
Roanoke, Newport News, and Petersburg, VA

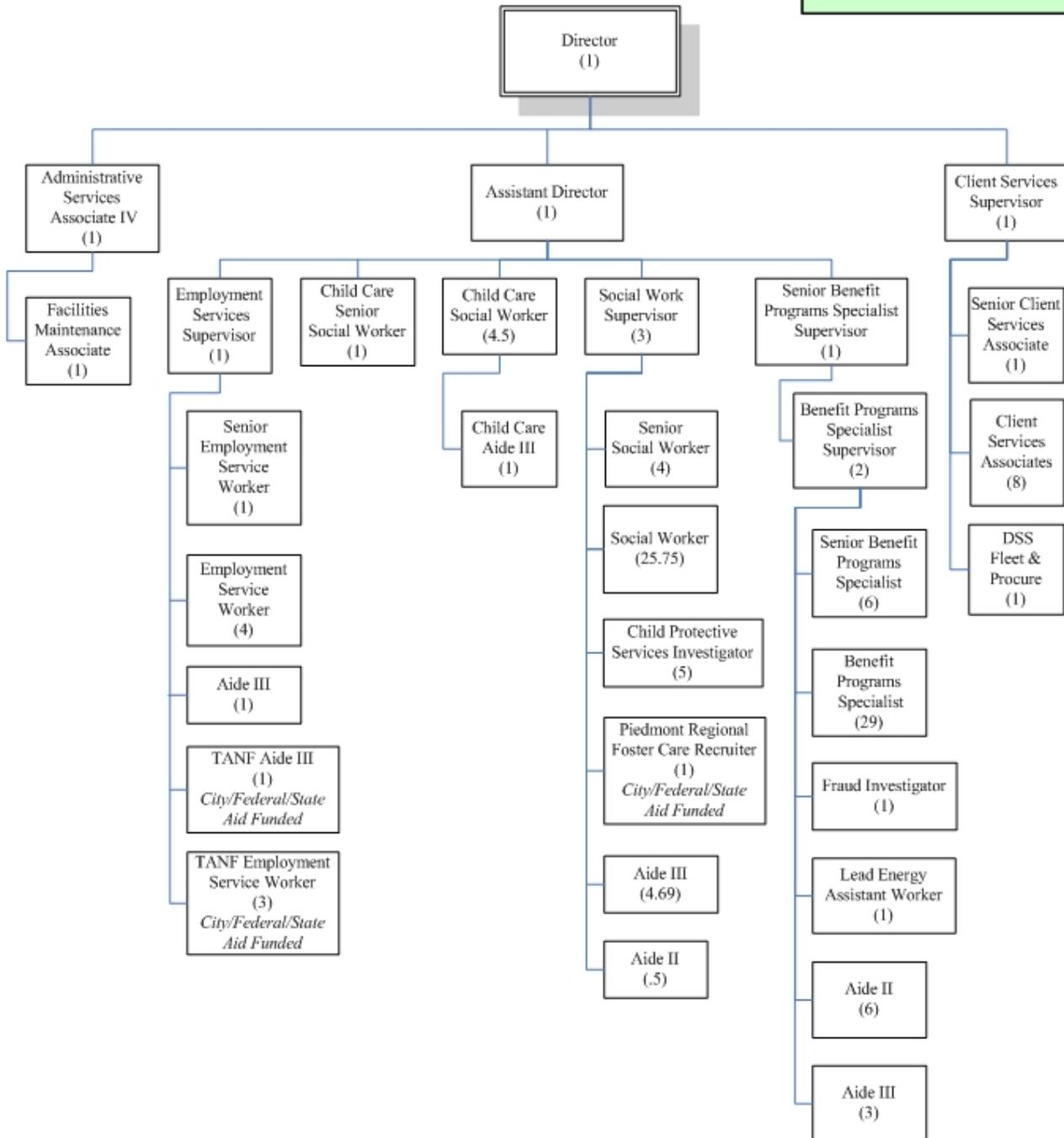


SOCIAL SERVICES

POSITION SUMMARY
 120.44 City Funded Positions
 3.38 Temporary Positions

 123.82 Total General Fund Positions
 5.00 City/Federal/State Aid Fund Positions

 128.82 Total Funded Positions





Social Services

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	127.00	122.00	95.00	105.00	115.00
City Funded Part-Time	2.50	2.50	4.69	5.44	5.44
City Funded Temporary	3.38	3.38	3.38	3.38	3.38
Grant Funded Full-Time	6.00	6.00	4.00	4.00	5.00
Grant Funded Temporary	0.50	0.50	0.00	0.00	0.00
TOTAL FTE	139.38	134.38	107.07	117.82	128.82
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$4,168,376	\$4,274,815	\$3,386,569	\$3,746,271	\$4,030,971
Employee Benefits	1,519,891	1,789,739	1,468,875	1,618,607	1,754,155
Contractual Services	92,643	92,696	84,266	84,266	84,266
Internal Service Charges	46,338	49,257	48,000	48,000	48,000
Other Charges	286,966	293,118	267,601	267,601	267,601
Public Assistance	7,213,587	6,557,403	6,523,900	6,523,900	6,523,900
Total General Fund Expenditures	\$13,327,801	\$13,057,028	\$11,779,211	\$12,288,645	\$12,708,893
Total Grant Expenditures ¹	\$468,487	\$453,281	\$368,359	\$368,359	\$344,296
TOTAL DEPARTMENT EXPENDITURES	\$13,796,288	\$13,510,309	\$12,147,570	\$12,657,004	\$13,053,189
DEDICATED REVENUES					
Federal Categorical Aid - Social Services	\$5,344,374	\$5,824,826	\$4,848,600	\$5,022,601	\$5,129,957
Federal Categorical Aid (ARRA) - Social Services Programs	22,042	0	293,639	293,639	293,639
State Categorical Aid - Social Services	6,375,923	5,259,973	5,717,963	5,693,733	5,693,733
Special Welfare Recoupment	69,268	30,000	30,000	30,000	30,000
Federal Government Grants	379,766	382,700	292,229	292,229	280,197
Commonwealth Grants	71,860	54,329	60,394	60,394	52,092
TOTAL DEDICATED REVENUES	\$12,263,233	\$11,551,828	\$11,242,825	\$11,392,596	\$11,479,618
TOTAL CITY COST	\$1,533,055	\$1,958,481	\$904,745	\$1,264,408	\$1,573,571

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.



Social Services Administration. Administers the programs that provide for the care and protection of children, adults, and families, and are designed to help people achieve a high level of self-sufficiency. These programs include foster care, child protective services, and finding solutions for child and adult neglect and abuse. The division administers welfare benefits for those who are eligible, and helps them to prepare for, find, and keep jobs.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	127.00	122.00	95.00	105.00	115.00
City Funded Part-Time	2.50	2.50	4.69	5.44	5.44
City Funded Temporary	3.38	3.38	3.38	3.38	3.38
TOTAL FTE	132.88	127.88	103.07	113.82	123.82
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$4,168,376	\$4,274,815	\$3,386,569	\$3,746,271	\$4,030,971
Employee Benefits	1,513,528	1,783,515	1,462,651	1,612,383	1,747,931
Contractual Services	92,643	92,696	84,266	84,266	84,266
Internal Service Charges	46,338	49,257	48,000	48,000	48,000
Other Charges	286,966	293,118	267,601	267,601	267,601
TOTAL EXPENDITURES	\$6,107,851	\$6,493,401	\$5,249,087	\$5,758,521	\$6,178,769
DEDICATED REVENUES					
Federal Categorical Aid - Social Services Admin.	\$2,881,088	\$3,554,238	\$2,707,990	\$2,881,991	\$2,989,347
State Categorical Aid - Social Services Admin.	1,958,526	1,275,241	1,892,810	1,868,580	1,868,580
TOTAL DEDICATED REVENUES	\$4,839,614	\$4,829,479	\$4,600,800	\$4,750,571	\$4,857,927
TOTAL CITY COST	\$1,268,237	\$1,663,922	\$648,287	\$1,007,950	\$1,320,842

Social Services Administration Budget Description

The Manager’s Proposed FY 2011 Social Services Administration budget of \$5,758,521 represents an 11.3% decrease of \$734,880 as compared to the Adopted FY 2010 budget of \$6,493,401.

Significant changes compared to the Adopted FY 2010 budget include:

- \$699,676 decrease in Salaries and Employee Benefits reflecting the elimination of 17 vacant full-time positions, offset by an adjustment in part-time as well as a higher Virginia Retirement System rate.
- \$8,430 decrease in Contractual Services for legal services.
- \$1,257 decrease in Internal Service Charges based on Fleet Administration estimates.
- \$25,517 decrease in Other Charges is reflecting reductions in training, books and subscriptions.

The Proposed FY 2011 Social Services Administration budget was adopted by City Council with the following changes:

- ◆ \$420,248 increase in Salaries and Employee Benefits reflecting the restoration of eleven full-time positions.



Public Assistance. Includes payments made directly to clients or to vendors on clients’ behalf. These payments are primarily for maintenance needs. Also included are Title XX Programs which include companion services, maintenance, and support to children in foster care and day care. Funds are included in the Employment Services Program for the purpose of giving supportive services aimed at making clients self-sufficient.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Employee Benefits	\$6,363	\$6,224	\$6,224	\$6,224	\$6,224
Public Assistance	7,213,587	6,557,403	6,523,900	6,523,900	6,523,900
TOTAL EXPENDITURES	\$7,219,950	\$6,563,627	\$6,530,124	\$6,530,124	\$6,530,124
DEDICATED REVENUES					
Federal Categorical Aid - Social Services Programs	\$2,463,286	\$2,270,588	\$2,140,610	\$2,140,610	\$2,140,610
Federal Categorical Aid (ARRA) - Social Services Programs	22,042	0	293,639	293,639	293,639
State Categorical Aid - Social Services Programs	4,417,397	3,984,732	3,825,153	3,825,153	3,825,153
Special Welfare Recoupment	69,268	30,000	30,000	30,000	30,000
TOTAL DEDICATED REVENUES	\$6,971,993	\$6,285,320	\$6,289,402	\$6,289,402	\$6,289,402
TOTAL CITY COST	\$247,957	\$278,307	\$240,722	\$240,722	\$240,722

Public Assistance Budget Description

The Manager’s Proposed FY 2011 Public Assistance budget of \$6,530,124 represents a 0.5% decrease of \$33,503 as compared to the Adopted FY 2010 budget of \$6,563,627.

Significant changes compared to the Adopted FY 2010 budget include:

- \$35,579 decrease in Public Assistance reflecting a reduction in the VIEW program.

The Proposed FY 2011 Public Assistance budget was adopted by City Council without changes.



Social Services Performance Measures

Goal 1: Provide timely financial assistance services (Food Stamps, Medicaid and Temporary Assistance to Needy Families) to eligible clients.

Objective: Meet or exceed State composite timeliness target of 96.5% for these programs.

Table with 5 columns: Performance Measure, Actual FY 2009, Projected FY 2010, July - Dec FY 2010, Projected FY 2011. Row 1: Percentage of cases meeting State and federal programmatic timeliness policy. Values: 94.9%, 92.0%, 94.2%, 90.0%

Analysis of the Data: Significant increases in applications and cases under care, inability to fill vacant positions and policy changes during FY 2009 contributed to the failure to meet the State target. Without staff to manage the increasing caseloads, the Department will not be able to meet targeted goals in these program areas.

Goal 2: Protect at risk children by providing excellent Child Protective and Family Services.

Objective: Reduce the occurrence of repeat maltreatment of children to the State target of 5.4% or less.

Table with 5 columns: Performance Measure, Actual FY 2009, Projected FY 2010, July - Dec FY 2010, Projected FY 2011. Row 1: Repeat maltreatment. Values: 1.1%, 1.0%, 1.0%, 1.0%

Analysis of the Data: Although an emphasis on preventive ongoing services to abused children may protect them from repeat maltreatment, staff shortages continue to increase the frequency of not assisting families whose children continue to be at risk.

Goal 3: Provide outstanding customer service to citizens.

Objective: Meet or exceed statewide benchmark of 88% client satisfaction rate.

Table with 5 columns: Performance Measure, Actual FY 2009, Projected FY 2010, July - Dec FY 2010, Projected FY 2011. Row 1: Percentage of customers rating services as satisfactory or better. Values: 96.0%, 95.0%, 95.0%, 94.0%

Analysis of the Data: Given the continuing economic challenges, increases in the number of citizens accessing services, and staff shortages, it is possible these goals may not be reached.

Benchmark Localities: Petersburg, Charlottesville, Danville, Roanoke City, Chesterfield, and Hanover, VA



HISTORICAL FACT:

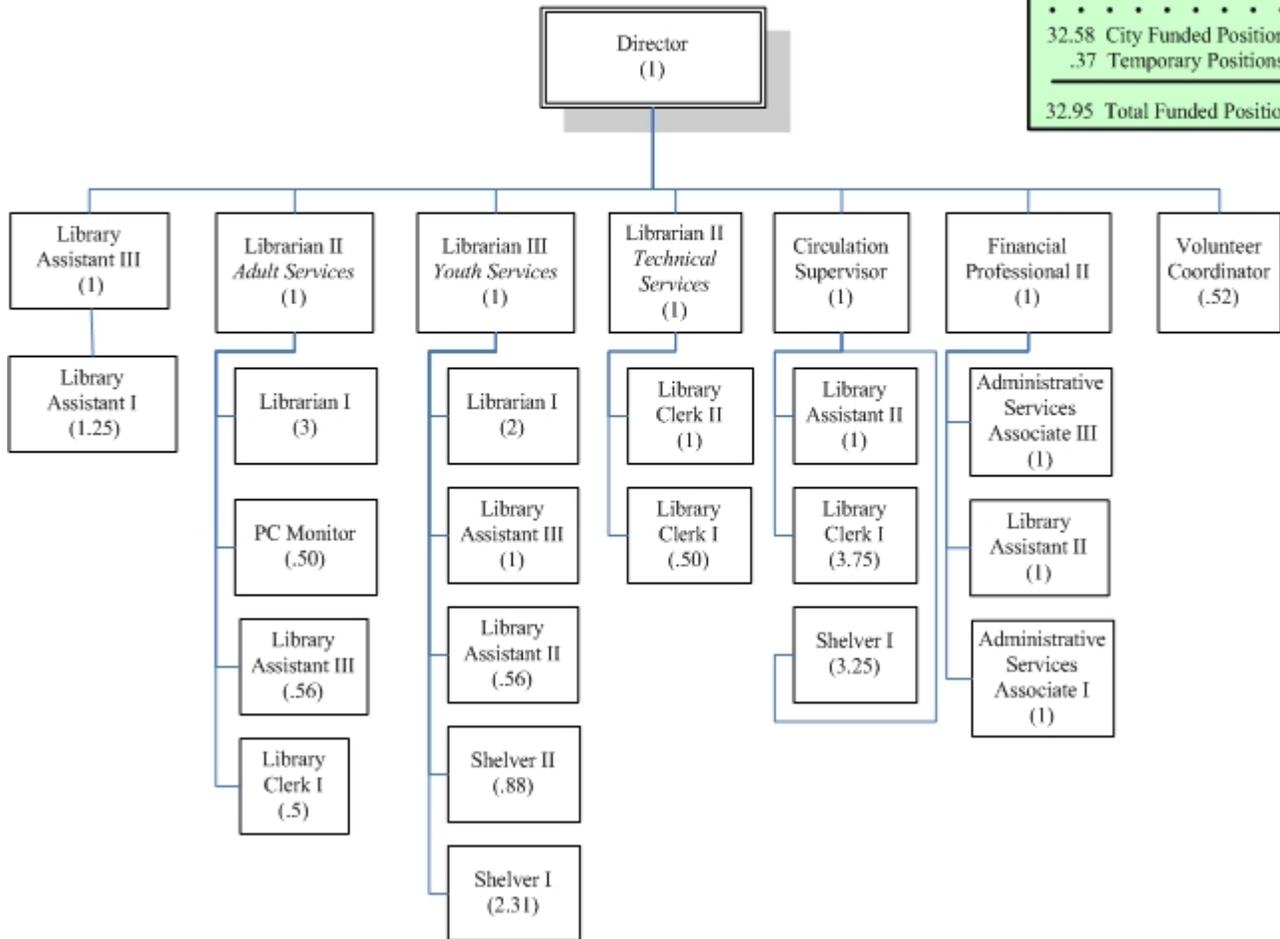
On July 11, 1870, a system of public schools was established by law in Virginia. The Lynchburg public school system officially began September 22, 1870. Abram Frederick Biggers, great-grandson of John Lynch, was Lynchburg's first superintendent of schools.





PUBLIC LIBRARY

POSITION SUMMARY
.....
32.58 City Funded Positions
.37 Temporary Positions
<hr/>
32.95 Total Funded Positions





Public Library including the Law Library

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	22.00	22.00	19.00	20.00	21.00
City Funded Part-Time	9.02	9.02	9.77	9.77	11.58
City Funded Temporary	0.37	0.37	0.37	0.37	0.37
TOTAL FTE	31.39	31.39	29.14	30.14	32.95
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$988,976	\$997,141	\$894,286	\$932,620	\$996,661
Employee Benefits	316,027	357,189	327,451	344,121	359,632
Contractual Services	51,696	42,815	43,290	43,290	43,290
Internal Service Charges	831	1,649	1,600	1,600	1,600
Other Charges	260,856	266,843	235,010	235,010	256,410
TOTAL DEPARTMENT EXPENDITURES	\$1,618,386	\$1,665,637	\$1,501,637	\$1,556,641	\$1,657,593
DEDICATED REVENUES					
Library Fines and Fees	\$81,503	\$94,000	\$90,000	\$90,000	\$90,000
Lost/Damaged Library Property	6,480	14,000	13,000	13,000	13,000
State Categorical Aid	183,916	183,916	171,197	171,197	150,823
Friends of the Lynchburg Library	14,500	14,500	14,500	14,500	24,500
Contributions to the Library	0	0	0	0	10,000
Delinquent Library Charges	18,558	0	8,000	8,000	8,000
Law Library Fees	66,386	60,000	60,000	60,000	60,000
Designated Reserve	(16,164)	(5,080)	(5,080)	(5,080)	(5,080)
TOTAL DEDICATED REVENUES	\$355,179	\$361,336	\$351,617	\$351,617	\$351,243
TOTAL CITY COST	\$1,263,207	\$1,304,301	\$1,150,020	\$1,205,024	\$1,306,350



Public Library. Provides a full range of services to meet the informational, educational, and recreational needs of the community. In FY 2009, there were 29,826 registered borrowers; 39,495 web page visits. The library’s collections include 130,784 books, 285 magazine subscriptions, 5,231 audio tapes, 10,130 DVDs and VHS, and several electronic databases, which are available on the library’s web page. In FY 2009, circulation was 566,328; 262,753 electronic searches were made; the Youth Services staff provided programs to 14,701 children. Public access to the Internet was provided to 65,318 individuals. A book delivery service is provided to 20 senior center locations with 4,725 items in the deposit collection. During FY 2009, 70 volunteers donated 3,002 hours of service.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	22.00	22.00	19.00	20.00	21.00
City Funded Part-Time	9.02	9.02	9.77	9.77	11.58
City Funded Temporary	0.37	0.37	0.37	0.37	0.37
TOTAL FTE	31.39	31.39	29.14	30.14	32.95
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$988,976	\$997,141	\$894,286	\$932,620	\$996,661
Employee Benefits	316,027	357,189	327,451	344,121	359,632
Contractual Services	51,696	42,815	43,290	43,290	43,290
Internal Service Charges	831	1,649	1,600	1,600	1,600
Other Charges	236,784	238,073	206,240	206,240	227,640
TOTAL EXPENDITURES	\$1,594,314	\$1,636,867	\$1,472,867	\$1,527,871	\$1,628,823
DEDICATED REVENUES					
Library Fines and Fees	\$81,503	\$94,000	\$90,000	\$90,000	\$90,000
Lost/Damaged Library Property	6,480	14,000	13,000	13,000	13,000
State Categorical Aid	183,916	183,916	171,197	171,197	150,823
Friends of the Lynchburg Library	14,500	14,500	14,500	14,500	24,500
Contributions to the Library	0	0	0	0	10,000
Delinquent Library Charges	18,558	0	8,000	8,000	8,000
Law Library Fees	26,150	26,150	26,150	26,150	26,150
TOTAL DEDICATED REVENUES	\$331,107	\$332,566	\$322,847	\$322,847	\$322,473
TOTAL CITY COST	\$1,263,207	\$1,304,301	\$1,150,020	\$1,205,024	\$1,306,350

**Public Library Budget Description**

The Manager's Proposed FY 2011 Public Library budget of \$1,527,871 represents a 6.7% decrease of \$108,996 as compared to the Adopted FY 2010 budget of \$1,636,867.

Significant changes compared to the Adopted FY 2010 Public Library budget include:

- \$77,589 decrease in Salaries and Benefits reflecting the elimination of a full-time Librarian III, as well as downgrading a full-time Library clerk I to part-time, offset by a higher Virginia Retirement System rate.
Service Impact: With this reduction, the downtown branch library will be closed. The Law Library (lay law materials and WESTLAW online database subscription only) and public access computers will be moved to the main library. Bound volumes will be offered to other institutions. This will be inconvenient for users who live and/or work near the branch library. In addition, youth programming at the main library will be decreased by 20%.
- \$21,436 decrease in Other Charges for supplies, books, and related materials reflecting a decrease in City and State funding.
- \$10,397 decrease in Rentals and Leases due in part to the closing of the Downtown Branch Library.

The Proposed FY 2011 Public Library budget was adopted by City Council with the following changes:

- ♦ \$79,552 increase in Salaries and Employee Benefits for one full-time position and two part-time positions. These positions are needed in order to keep the downtown branch library open.
- ♦ \$21,400 increase in Other Charges for office supplies, books, audio visual, publications, subscriptions, telephone, rentals and leases, and other items needed to keep the downtown branch library open and restore youth programming.
- ♦ \$20,000 increase in Dedicated Revenues reflecting the acceptance of a \$10,000 donation from the Friends of the Lynchburg Public Library matched by a \$10,000 donation from an anonymous citizen to help offset the cost to keep the Downtown Branch Library open.



Law Library. The Law Library is administered by the Public Library. Legal reference materials for attorneys, students, and other citizens with legal research needs are provided by this collection.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Other Charges	\$24,072	\$28,770	\$28,770	\$28,770	\$28,770
TOTAL EXPENDITURES	\$24,072	\$28,770	\$28,770	\$28,770	\$28,770
DEDICATED REVENUES					
Law Library Fees	\$40,236	\$33,850	\$33,850	\$33,850	\$33,850
Designated Reserve	(16,164)	(5,080)	(5,080)	(5,080)	(5,080)
TOTAL DEDICATED REVENUES	\$24,072	\$28,770	\$28,770	\$28,770	\$28,770
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Law Library Budget Description

The Manager’s Proposed FY 2011 Law Library budget of \$28,770 represents no change as compared to the Adopted FY 2010 budget of \$28,770.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Law Library budget was adopted by City Council without changes.



Public Library Performance Measures

Goal 1: Increase circulation per capita.				
Objective: To provide a diverse collection of materials which are useful to our community.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Circulation per capita	8.0	8.1	7.7	7.5
Analysis of the Data: FY 2009 showed the highest circulation in the Library's 44-year history due in large measure to the weakening economy, coercing citizens to seek free services close to home. However, following an incident at the Main Library in January 2009, concerns over safety slowed this growth. In FY 2010, circulation is down approximately 4% from FY 2009, though FY 2010 will be among the Top 5 in the Library's history. Projections for circulation in FY 2011 are conservative.				

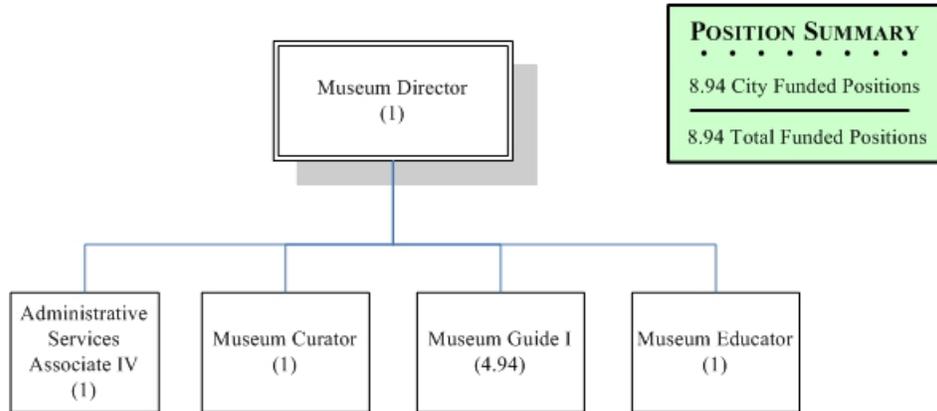
Goal 2: Increase program attendance per capita.				
Objective: To provide programming to reach a broad section of the community, for both youth and adults.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Program attendance per capita	0.16	0.16	not available	0.16
Analysis of the Data: A vibrant youth program reaches thousands of children annually. Adult programs such as Lynchburg Reads appeal to hundreds of teens and adults. Program attendance is expected to be maintained.				

Goal 3: Increase on-site, through-the-door visitorship.				
Objective: To encourage the community to visit the library facilities by offering a wide range of materials, PCs, and programs.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Visits per capita	4.6	4.5	4.12	4.12
Analysis of the Data: FY 2009 was the busiest in the Library's history. The FY 2010 decrease in visits per capita is a direct result of public concern over safety. The installation of security cameras and continuing staff attention to security have reassured many users. FY 2011 reductions in State funding will result in fewer newer materials being purchased; that may have a negative impact on visitorship. In FY 2011, high priority will be placed on keeping the computer lab open extra hours; this will provide several thousand additional PC user sessions. (Note: FY 2008 population was 68,758; the FY 2009 population was 70,734.)				

Benchmark Localities: Data for the VA First Cities' public libraries was retrieved from the Library of VA database: Appomattox Regional, Blue Ridge Regional, Central Rappahannock Regional, Danville Public, Hampton Public, Jefferson Madison Regional, Newport News Public, Norfolk Public, Petersburg Public, Portsmouth Library, Richmond Public, Roanoke City Public, Staunton Public, and The Handy Library.				
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MUSEUMS





Museum including the Point of Honor/Carriage House

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	4.00	4.00	4.00	4.00	4.00
City Funded Part-Time	4.94	4.94	3.86	3.86	4.94
TOTAL FTE	8.94	8.94	7.86	7.86	8.94
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$259,766	\$273,304	\$254,119	\$254,119	\$273,304
Employee Benefits	71,641	79,324	82,234	82,234	83,702
Contractual Services	50,306	30,682	28,161	28,161	29,953
Internal Service Charges	1,314	1,938	1,943	1,943	1,943
Other Charges	39,158	38,980	36,571	36,571	39,126
TOTAL DEPARTMENT EXPENDITURES	\$422,185	\$424,228	\$403,028	\$403,028	\$428,028
DEDICATED REVENUES					
Old Courthouse Admission	\$21,505	\$12,000	\$15,000	\$15,000	\$15,000
Digg's Trust	37,284	28,844	23,400	23,400	23,400
Gifts and Miscellaneous Donations	2,446	2,000	2,000	2,000	2,000
Contributions to the Lynchburg Museum System	0	0	21,200	21,200	21,200
Point of Honor Admission	10,453	9,000	5,500	5,500	5,500
Reimbursement – Point of Honor Carriage House	30,699	45,000	45,000	45,000	45,000
Designated Reserve	621	(9,000)	(9,573)	(9,573)	(5,500)
TOTAL DEDICATED REVENUES	\$103,008	\$87,844	\$102,527	\$102,527	\$106,600
TOTAL CITY COST	\$319,177	\$336,384	\$300,501	\$300,501	\$321,428



Museums. The Museum System was established in 1976 to inform the public about the history of Lynchburg and the surrounding region. It collects and preserves the tangible evidence of that history and provides public programs, exhibits, and special events at the Lynchburg Museum, located in the Old Court House, and Point of Honor.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	4.00	4.00	4.00	4.00	4.00
City Funded Part-Time	3.44	3.44	2.49	2.49	3.44
TOTAL FTE	7.44	7.44	6.49	6.49	7.44
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$235,945	\$245,865	\$229,148	\$229,148	\$245,865
Employee Benefits	69,679	77,225	80,324	80,324	81,603
Contractual Services	42,976	28,300	25,758	25,758	27,550
Internal Service Charges	1,314	1,938	1,943	1,943	1,943
Other Charges	30,498	25,900	24,928	24,928	26,067
TOTAL EXPENDITURES	\$380,412	\$379,228	\$362,101	\$362,101	\$383,028
DEDICATED REVENUES					
Old Courthouse Admission	\$21,505	\$12,000	\$15,000	\$15,000	\$15,000
Digg's Trust	37,284	28,844	23,400	23,400	23,400
Gifts and Miscellaneous Donations	2,446	2,000	2,000	2,000	2,000
Contributions to the Lynchburg Museum System	0	0	21,200	21,200	21,200
TOTAL DEDICATED REVENUES	\$61,235	\$42,844	\$61,600	\$61,600	\$61,600
TOTAL CITY COST	\$319,177	\$336,384	\$300,501	\$300,501	\$321,428

Museums Budget Description

The Manager's Proposed FY 2011 Museums budget of \$362,101 represents a 4.5% decrease of \$17,127 as compared to the Adopted FY 2010 budget of \$379,228.

Significant changes compared to the Adopted FY 2010 budget include:

- \$13,618 decrease in Salaries and Employee Benefits reflecting a reduction in part-time hours, offset by a higher Virginia Retirement System rate.
- \$2,542 decrease in Contractual Services for mechanical maintenance and repair, and other miscellaneous items.
 - Service Impact: The loss of staff may impact the Museum's ability to handle the growing requests for school tours, special events, and programs. Research and community outreach requests will require a longer time to fulfill.
- \$21,200 increase in Dedicated Revenues reflecting a donation from the Lynchburg Museum Foundation to prevent the Museum System from having to reduce its hours of operation.

The Proposed FY 2011 Museums budget was adopted by City Council with the following changes:

- ◆ \$17,996 increase in Salaries and Employee Benefits to restore part-time hours.
- ◆ \$1,792 increase in Contractual Services to restore funding for advertising.
- ◆ \$1,139 increase in Other Charges reflecting restoration of funding for special events and education programs.



Point of Honor/Carriage House

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Part-Time	1.50	1.50	1.37	1.37	1.50
TOTAL FTE	1.50	1.50	1.37	1.37	1.50
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$23,821	\$27,439	\$24,971	\$24,971	\$27,439
Employee Benefits	1,962	2,099	1,910	1,910	2,099
Contractual Services	7,330	2,382	2,403	2,403	2,403
Other Charges	8,660	13,080	11,643	11,643	13,059
TOTAL EXPENDITURES	\$41,773	\$45,000	\$40,927	\$40,927	\$45,000
DEDICATED REVENUES					
Point of Honor Admission	\$10,453	\$9,000	\$5,500	\$5,500	\$5,500
Reimbursement – Point of Honor Carriage House	30,699	45,000	45,000	45,000	45,000
Designated Reserve	621	(9,000)	(9,573)	(9,573)	(5,500)
TOTAL DEDICATED REVENUES	\$41,773	\$45,000	\$40,927	\$40,927	\$45,000
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Point of Honor/Carriage House Budget Description

The Manager’s Proposed FY 2011 Point of Honor/Carriage House budget of \$40,927 represents a 9.1% decrease of \$4,073 as compared to the Adopted FY 2010 budget of \$45,000.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,841 decrease in Salaries and Employee Benefits reflecting a reduction in part-time hours.
 - \$1,253 decrease in Other Charges reflecting a reduction in utilities, courtesies to guests, and supplies.
- Service Impact: Point of Honor will close on Tuesdays, Wednesdays, and Thursdays beginning July 1, 2010. Visitation and revenue will in all probability decrease at that site.

The Proposed FY 2011 Point of Honor/Carriage House budget was adopted by City Council with the following changes:

- ◆ \$2,657 increase in Salaries and Employee Benefits to restore part-time hours.
- ◆ \$1,416 increase in Other Charges to restore funding for utilities, courtesies to guests, as well as training and conferences.



Museums Performance Measures

Goal 1:				
To offer quality interpretive programs that are mission driven, accessible to the public, and of interest to residents and visitors.				
Objective:				
Present exhibits, tours, special events, and outreach programs to 13,000 visitors annually.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of annual visitors to the Museum System	12,898	13,000	7,615	13,000
Analysis of the Data:				
Many museums in Virginia continue to see declines in visitation with the economy, fuel costs, and cutting of field trips. The D Street Bridge closing undoubtedly impacts Point of Honor visitation at some level. For FY 2011, the Department is striving to increase school and homeschool tours and enhance programs to offset the current challenges.				

Goal 2:				
Provide opportunities for the community to participate in Lynchburg's history.				
Objective:				
Acquire a broader base of volunteer support for the Museum System's mission by increasing volunteer hours.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Value of volunteer hours	\$45,787	\$46,000	\$32,991	\$50,000
Analysis of the Data:				
The data is expressed as total volunteer hours donated multiplied by the federal hourly rate for volunteer service. The number of hours donated in 2009 totalled 2,072 valued at \$22.09 (\$45,787). A small increase in volunteer hours is projected in FY 2011 due to increased activity with school and group tours and several special projects being carried out by volunteers involving digitization of photographs and research.				

Goal 3:				
To provide quality experiences for visitors (local, regional, and traveling) who tour the Lynchburg Museum and Point of Honor.				
Objective:				
To achieve at least an 80% satisfaction rating on visitor surveys completed by those who visit either site.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Customer satisfaction level	90%	80%	89.97%	85%
Analysis of the Data:				
A satisfaction question was added to the customer survey for the last quarter of FY 2009. A satisfaction rate of 80% is projected for FY 2010, although results from recent quarters reflect responses averaging 89.7% satisfaction.				

Benchmark Localities:
Manassas, Portsmouth, Newport News, and Petersburg, VA



Parks and Recreation, Recreation Programs, and Community Market

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	32.48	34.00	33.00	33.00	34.00
City Funded Part-Time	15.89	18.86	17.26	17.26	17.96
City Funded Temporary	9.96	9.28	9.59	9.59	9.76
TOTAL FTE	58.33	62.14	59.85	59.85	61.72
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,839,055	\$1,928,033	\$1,783,275	\$1,840,559	\$1,888,225
Employee Benefits	493,759	571,731	572,096	576,479	591,259
Contractual Services	225,356	190,335	175,160	175,160	175,160
Internal Service Charges	42,044	53,881	43,000	43,000	43,000
Other Charges	391,090	435,085	403,622	407,091	410,081
TOTAL DEPARTMENT EXPENDITURES	\$2,991,304	\$3,179,065	\$2,977,153	\$3,042,289	\$3,107,725
DEDICATED REVENUES					
Swimming Pool Fees	\$23,434	\$27,000	\$27,000	\$27,000	\$27,000
Recreation Program Fees	353,761	334,000	357,000	357,000	357,000
Designated Fund Balance	0	12,623	79,976	79,976	79,976
Special Events Sponsorship	1,600	2,500	4,000	4,000	4,000
Revenues to be Designated	(30,228)	(2,500)	(4,000)	(4,000)	(4,000)
TOTAL DEDICATED REVENUES	\$348,567	\$373,623	\$463,976	\$463,976	\$463,976
TOTAL CITY COST	\$2,642,737	\$2,805,442	\$2,513,177	\$2,578,313	\$2,643,749



Parks and Recreation. Develops, administers and manages parks, trails, recreation programs, and the Community Market. The Department is organized into four areas – Business Services, Recreation Services, Park Services, and Administration. Business Services provides oversight for the Community Market, marketing and promotion, program sponsorships, and coordinating special events. Recreation Services provides an array of organized programs including classes, athletics, senior adult activities, naturalist programs, aquatics, and programs for youth and families in a community center setting. Recreation Services works in partnership with numerous organizations to provide additional services to the public. Park Services manages the parklands, trail system, and recreational facilities. Park Services conducts park planning and develops and implements the Capital Improvement Plan. In addition, Park Services manages the rental and use of City Stadium, community centers, the Aviary, and general park use. Park maintenance is coordinated with Buildings and Grounds. Administration provides support for all service areas, operates the Customer Service Desk, develops and administers budgets, processes all financial and personnel transactions, maintains departmental files and records, processes facility use permits, and assists with program registration.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	29.48	31.00	31.00	31.00	32.00
City Funded Part-Time	13.03	16.60	10.21	10.21	10.91
City Funded Temporary	7.34	5.80	6.00	6.00	6.17
TOTAL FTE	49.85	53.40	47.21	47.21	49.08
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,611,620	\$1,705,822	\$1,480,156	\$1,537,440	\$1,585,106
Employee Benefits	446,054	519,642	522,872	527,255	542,035
Contractual Services	115,495	60,525	49,620	49,620	49,620
Internal Service Charges	40,861	51,563	41,100	41,100	41,100
Other Charges	127,550	161,997	139,327	142,796	145,786
TOTAL EXPENDITURES	\$2,341,580	\$2,499,549	\$2,233,075	\$2,298,211	\$2,363,647
DEDICATED REVENUES					
Swimming Pool Fees	\$23,434	\$27,000	\$27,000	\$27,000	\$27,000
TOTAL DEDICATED REVENUES	\$23,434	\$27,000	\$27,000	\$27,000	\$27,000
TOTAL CITY COST	\$2,318,146	\$2,472,549	\$2,206,075	\$2,271,211	\$2,336,647

***Parks and Recreation Budget Description***

The Manager's Proposed FY 2011 Parks and Recreation budget of \$2,298,211 represents an 8.1% decrease of \$201,338 as compared to the Adopted FY 2010 budget of \$2,499,549.

Significant changes compared to the Adopted FY 2010 budget include:

- \$160,769 decrease in Salaries and Employee Benefits reflecting a reorganization of the Department's structure.
Service Impact: This reorganization will transfer the cost of some part-time staff to the Recreation Program budget, resulting in an increase in fees for most programs and activities. It also involves outsourcing programming of one neighborhood center.
- \$10,905 decrease in Contractual Services reflecting reductions to various line items across the department including miscellaneous contractual services (\$6,375), advertising (\$1,750), and software maintenance (\$950).
Service Impact: These changes will result in reductions to services for grooming and marking athletic fields for youth and adult sports programs.
- \$10,463 decrease in Internal Service Charges reflecting a reduction of two vehicles from the Parks and Recreation fleet.
Service Impact: Reduces programs for seniors and youth that rely on departmental transportation.
- \$19,201 decrease in Other Charges reflecting reductions in various line items including office supplies, recreation and activity supplies, minor equipment and tools, and U.S. postage.
Service Impact: These changes will result in a reduction in outreach programs, travel and trips, as well as programs that are not center-based.

The Proposed FY 2011 Parks and Recreation budget was adopted by City Council with the following changes:

- ◆ \$62,446 increase in Salaries and Employee Benefits to staff a Neighborhood Center.
- ◆ \$2,990 increase in Other Charges to prevent outsourcing a Neighborhood Center.



Parks and Recreation – Recreation Programs. Supports a wide range of recreational activities, including adult and youth athletics, aquatics classes, camps, naturalist programs, rentals of centers, rentals of Miller Park Pool, shelters, athletic fields, special events management, Heritage Crafters Co-Op, and general classes. The majority of the programs serve special interest groups or individuals pursuing individual interests.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Part-Time	0.61	0.00	4.04	4.04	4.04
City Funded Temporary	2.62	3.48	3.59	3.59	3.59
TOTAL FTE	3.23	3.48	7.63	7.63	7.63
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$79,166	\$72,766	\$165,348	\$165,348	\$165,348
Employee Benefits	6,311	5,567	12,648	12,648	12,648
Contractual Services	77,560	102,000	97,580	97,580	97,580
Other Charges	162,096	166,290	161,400	161,400	161,400
TOTAL EXPENDITURES	\$325,133	\$346,623	\$436,976	\$436,976	\$436,976
DEDICATED REVENUES					
Recreation Program Fees	\$353,761	\$334,000	\$357,000	\$357,000	\$357,000
Designated Fund Balance	0	12,623	79,976	79,976	79,976
Special Events Sponsorship	1,600	2,500	4,000	4,000	4,000
Revenues to be Designated	(30,228)	(2,500)	(4,000)	(4,000)	(4,000)
TOTAL DEDICATED REVENUES	\$325,133	\$346,623	\$436,976	\$436,976	\$436,976
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Parks and Recreation – Recreation Programs Budget Description

The Manager’s Proposed FY 2011 Parks and Recreation – Recreation Programs budget of \$436,976 represents a 26.1% increase of \$90,354 as compared to the Adopted FY 2010 budget of \$346,623.

Significant changes compared to the Adopted FY 2010 budget include:

- \$99,644 increase in Salaries and Employee Benefits reflecting the realignment of several part-time positions from the department’s operating budget to the Recreation Programs budget due to a significant reorganization of the department.
Service Impact: The department will have a much heavier dependency upon fees collected from activity participants and facilities rentals. Prices for nearly all Parks and Recreation services will increase, resulting in higher costs to citizens.
- \$4,420 decrease in Contractual Services reflecting the reduction of several line items to more closely match historical spending levels; these line items include: printing and binding services (\$2,600), advertising (\$2,550) and miscellaneous contractual services (\$4,620).
- \$4,890 decrease in Other Charges reflecting the reduction of several line items to more closely match historical spending levels; these line items include: office supplies (\$2,070), custodial supplies (\$2,050), and U.S. postage (\$3,550).

The Proposed FY 2011 Parks and Recreation – Recreation Programs budget was adopted by City Council without changes.



City Armory/Community Market. The Community Market is a focal point of downtown activity. The Community Market’s budget supports the staff and services required for continued operation of the 22,000 square foot retail facility which includes farmer and craft vendors, permanent restaurant operators, and other shops. The Community Market staff provides custodial and minor facility maintenance duties, as well as administrative services required for the functioning of the complex; this includes providing support services to third-party organizations interested in hosting activities and events. The Community Market staff also provides administrative, custodial and minor maintenance duties required for the operation of City Armory (a 23,000 square foot gymnasium style facility). The City Armory is host to numerous private parties, events and other activities including City athletic programs. Additionally, the City Armory is utilized year round by the Central Virginia Criminal Justice Academy.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	3.00	3.00	2.00	2.00	2.00
City Funded Part-Time	2.25	2.26	3.01	3.01	3.01
TOTAL FTE	5.25	5.26	5.01	5.01	5.01
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$148,269	\$149,445	\$137,771	\$137,771	\$137,771
Employee Benefits	41,394	46,522	36,576	36,576	36,576
Contractual Services	32,301	27,810	27,960	27,960	27,960
Internal Service Charges	1,183	2,318	1,900	1,900	1,900
Other Charges	101,444	106,798	102,895	102,895	102,895
TOTAL CITY COST	\$324,591	\$332,893	\$307,102	\$307,102	\$307,102

City Armory/Community Market Budget Description

The Manager’s Proposed FY 2011 City Armory/Community Market budget of \$307,102 represents a 7.7% decrease of \$25,791 as compared to the Adopted FY 2010 budget of \$332,893.

Significant changes compared to the Adopted FY 2010 budget include:

- \$21,620 decrease in Salaries and Employee Benefits reflecting the elimination of one full-time position, offset by a higher Virginia Retirement System rate.
Service Impact: The Market will no longer be open on Monday and will operate only five days each week.
- \$3,745 decrease in Other Charges reflecting reductions in office supplies (\$700), custodial supplies (\$1,500), and training and conferences (\$1,200).

The Proposed FY 2011 City Armory/Community Market budget was adopted without changes.



Parks and Recreation Performance Measures

Goal 1:				
Manage parks, trails, and civic facilities for the benefit of Lynchburg citizens and create opportunities for citizens of all ages and abilities to participate in a rich variety of recreational activities.				
Objective:				
Provide effective and efficient services.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Parks and Recreation FTEs per 1,000 population	0.71	0.80	0.82	0.73
Analysis of the Data:				
Represents the combined FTEs per 1,000 population for parks and recreation operations, including hours worked by Public Works crews to provide maintenance in the City's parks and facilities.				
The Projected FY 2011 figure reflects the restructure of the Department of Parks and Recreation in order to reduce costs while striving to minimize the negative impact to citizens.				

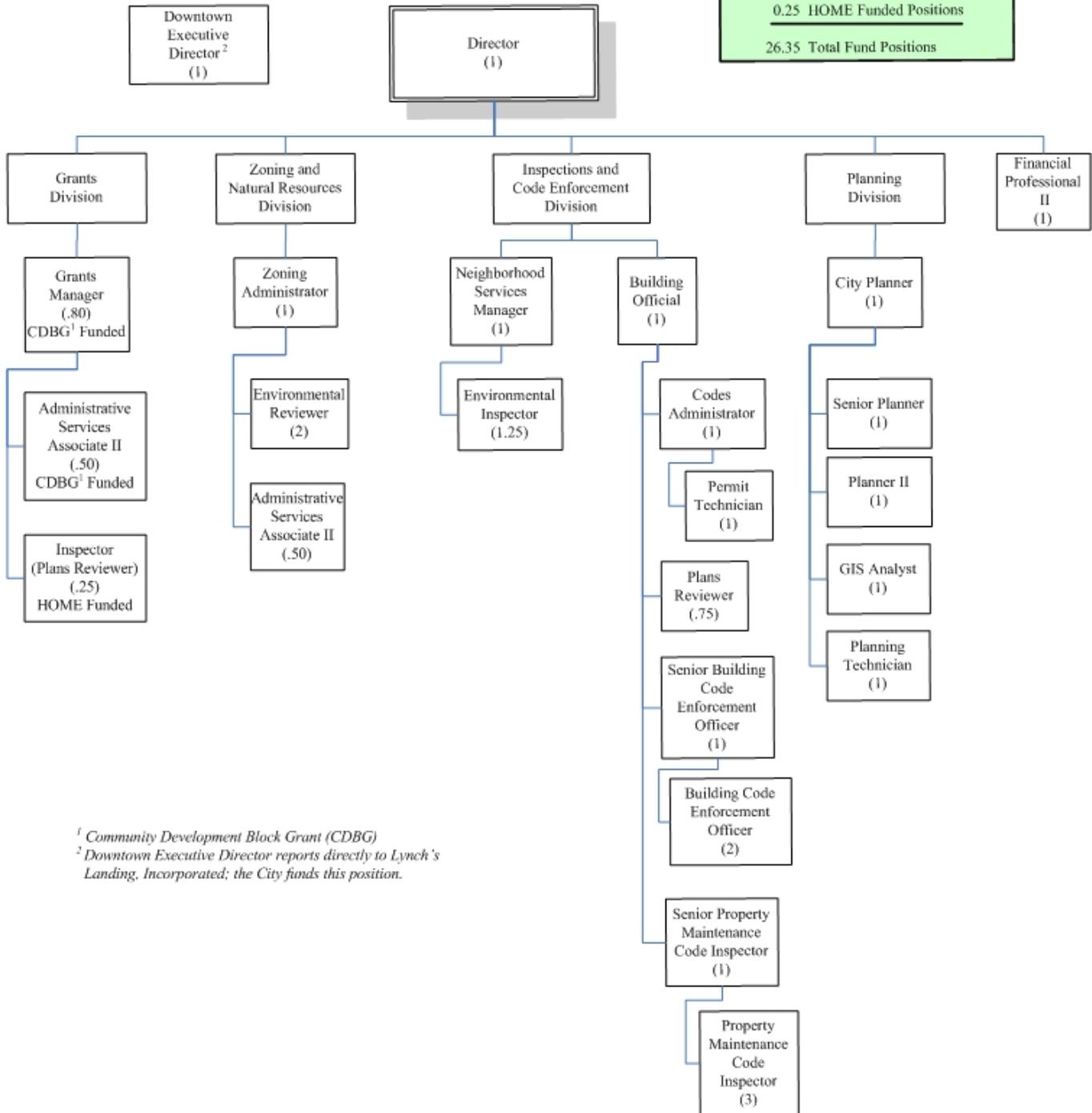
Goal 2:				
Create opportunities for citizens of all ages and abilities to participate in a rich variety of recreational activities.				
Objective:				
Develop and fund a scholarship program to ensure recreation programs are affordable to all City residents.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Total number/value of scholarships awarded	408/\$11,899	375/\$12,000	120/\$3,118	450/\$13,000
Analysis of the Data:				
Reliance on the scholarship fund continues to increase slightly. The vast majority of scholarships are given to youth attending center-based summer camps and youth participating in basketball. It is difficult to benchmark with other localities as scholarship program structures vary widely or are nonexistent in other cities.				

Benchmark Localities:
Charlottesville, Hopewell, Newport News, and Williamsburg, VA; Johnson City, TN



COMMUNITY DEVELOPMENT

POSITION SUMMARY	
• • • • •	
24.50 City Funded Positions	
0.30 Temporary Positions	
<hr/>	
24.80 Total City Funded Positions	
1.30 CDBG ¹ Funded Positions	
0.25 HOME Funded Positions	
<hr/>	
26.35 Total Fund Positions	



¹ Community Development Block Grant (CDBG)
² Downtown Executive Director reports directly to Lynch's Landing, Incorporated; the City funds this position.



Community Development

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	67.00	64.00	22.25	24.25	23.75
City Funded Part-Time	2.25	1.75	0.75	0.75	0.75
City Funded Temporary	10.09	3.35	0.00	0.30	0.30
Grant Funded Full-Time	1.00	1.00	0.75	0.75	0.75
Grant Funded Part-Time	0.00	0.50	0.80	0.80	0.80
TOTAL FTE	80.34	70.60	24.55	26.85	26.35
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$3,450,248	\$3,206,926	\$992,701	\$1,109,790	\$1,087,534
Employee Benefits	1,123,238	1,191,149	408,976	450,261	440,951
Contractual Services	150,346	226,715	9,250	9,250	9,250
Internal Service Charges	90,417	112,518	22,500	22,500	22,500
Other Charges	1,485,909	1,408,626	52,624	53,884	53,884
Total General Fund Expenditures	\$6,300,158	\$6,145,934	\$1,486,051	\$1,645,685	\$1,614,119
Total Grant Expenditures ¹	\$1,230,827	\$1,295,000	\$1,451,433	\$1,451,433	\$1,451,433
TOTAL DEPARTMENT EXPENDITURES	\$7,530,985	\$7,440,934	\$2,937,484	\$3,097,118	\$3,065,552
DEDICATED REVENUES					
CDBG	\$1,017,427	\$875,000	\$980,271	\$980,271	\$980,271
HOME	213,400	420,000	471,162	471,162	471,162
CDBG Administration Charges	38,640	40,000	0	0	0
Abandoned Vehicle Reimbursements	0	2,000	0	0	0
Weed Ordinance Program	22,593	8,000	10,000	21,420	21,420
State Categorical Aid - Highway Maintenance ²	2,922,529	2,989,253	0	0	0
State Categorical Aid - Urban Project Overhead ²	266,556	0	0	0	0
Federal Categorical Aid - Urban Project Overhead ²	51,387	0	0	0	0
Engineering Service Charges ²	0	80,000	0	0	0
TOTAL DEDICATED REVENUES	\$4,532,532	\$4,414,253	\$1,461,433	\$1,472,853	\$1,472,853
TOTAL CITY COST	\$2,998,453	\$3,026,681	\$1,476,051	\$1,624,265	\$1,592,699

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.

² Effective July 1, 2010, the Engineering Division is transferred to the Department of Public Works; the associated revenue is shifted as well.



Community Development – Office of the Director and Zoning and Natural Resources Division. Responsible for the overall leadership of the department. Secures and administers funds from the U.S. Department of Housing and Urban Development for the Community Development Block Grant (CDBG) and HOME Programs. Assists neighborhood and civic groups in planning and implementing projects that benefit the community. These initiatives include neighborhood planning and improvements, code enforcement for existing structures, and responding to environmental complaints. This Division ensures compliance with the Zoning Ordinance as well as managing the erosion and sediment control program. Additionally, costs associated with the Executive Director position at Lynch’s Landing is supported by this Division.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	10.00	10.00	4.50	6.50	6.50
City Funded Part-Time	1.25	1.25	0.00	0.00	0.00
City Funded Temporary	1.30	1.30	0.00	0.00	0.00
Grant Funded Full-Time	1.00	1.00	0.75	0.75	0.75
Grant Funded Part-Time	0.00	0.50	0.80	0.80	0.80
TOTAL FTE	13.55	14.05	6.05	8.05	8.05
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$603,164	\$598,250	\$205,658	\$312,139	\$312,139
Employee Benefits	184,689	203,656	85,485	125,958	125,958
Contractual Services	3,572	750	750	750	750
Internal Service Charges	13,479	15,705	5,900	5,900	5,900
Other Charges	40,219	14,892	12,844	14,104	14,104
Total General Fund Expenditures	\$845,123	\$833,253	\$310,637	\$458,851	\$458,851
Total Grant Expenditures ¹	\$1,230,827	\$1,295,000	\$1,451,433	\$1,451,433	\$1,451,433
TOTAL EXPENDITURES	\$2,075,950	\$2,128,253	\$1,762,070	\$1,910,284	\$1,910,284
DEDICATED REVENUES					
CDBG	\$1,017,427	\$875,000	\$980,271	\$980,271	\$980,271
HOME	213,400	420,000	471,162	471,162	471,162
CDBG Administration Charges	38,640	40,000	0	0	0
Abandoned Vehicle Reimbursements	0	2,000	0	0	0
Weed Ordinance Program ²	22,593	8,000	0	0	0
TOTAL DEDICATED REVENUES	\$1,292,060	\$1,345,000	\$1,451,433	\$1,451,433	\$1,451,433
TOTAL CITY COST	\$783,890	\$783,253	\$310,637	\$458,851	\$458,851

¹ Details of the Grant Expenditures can be located in the Other Funds Section of this document.

² Effective July 1, 2010, this revenue is transferred to the Inspections and Code Enforcement Division.



Community Development – Office of the Director and Zoning and Natural Resources Division Budget Description

The Manager’s Proposed FY 2011 Community Development – Office of the Director and Zoning and Natural Resources Division budget of \$458,851 represents a 45.0% decrease of \$374,402 as compared to the Adopted FY 2010 budget of \$833,253.

Significant changes compared to the Adopted FY 2010 budget include:

- \$363,809 decrease in Salaries and Employee Benefits reflecting only funding six months of the full-time Director’s position, eliminating a full-time Environmental Inspector, a part-time Environmental Inspector, and temporary funding for administrative support. In addition, a part-time Grants Administrator position, and 0.5 FTE of a full-time Administrative Associate II position will be funded by the Community Development Block Grant. A full-time Neighborhood Services Manager, a part-time Environmental Inspector, and funding for the Sheriff’s Department Inmate Labor Program will be transferred to the Inspections and Code Enforcement Division. These reductions offset a higher Virginia Retirement System rate.
- \$9,805 decrease in Fleet Services reflecting the transfer of funding for three pool cars to Communications and Marketing.

The Proposed FY 2011 Community Development – Office of the Director and Zoning and Natural Resources Division budget was adopted by City Council without changes.



Community Development – Inspections and Code Enforcement Division. Reviews building and site plans for compliance with local and state building codes; issues permits for new construction, alterations, additions, renovations, and demolitions within the City and enforces the Uniform Statewide Building Code. Beginning in FY 2011, Code Enforcement (formerly the Neighborhood Services Division) is blended with Inspections to more efficiently and effectively address weed, trash, and junk vehicle violations.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	12.00	11.00	12.75	12.75	12.25
City Funded Part-Time	1.00	0.50	0.75	0.75	0.75
City Funded Temporary	0.00	0.00	0.00	0.30	0.30
TOTAL FTE	13.00	11.50	13.50	13.80	13.30
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$478,141	\$449,255	\$541,439	\$552,047	\$529,791
Employee Benefits	168,699	178,210	223,110	223,922	214,612
Contractual Services	25,192	41,300	1,300	1,300	1,300
Internal Service Charges	17,071	27,778	16,600	16,600	16,600
Other Charges	26,832	32,036	27,448	27,448	27,448
TOTAL EXPENDITURES	\$715,935	\$728,579	\$809,897	\$821,317	\$789,751
DEDICATED REVENUES					
Weed Ordinance Program ¹	\$0	\$0	\$10,000	\$21,420	\$21,420
TOTAL DEDICATED REVENUES	\$0	\$0	\$10,000	\$21,420	\$21,420
TOTAL CITY COST	\$715,935	\$728,579	\$799,897	\$799,897	\$768,331

¹ Effective July 1, 2010, this revenue is transferred from the Office of the Director and Zoning and Natural Resources Division.

***Community Development – Inspections and Code Enforcement Division Budget Description***

The Manager's Proposed FY 2011 Community Development – Inspections and Code Enforcement Division budget of \$821,317 represents a 12.7% increase of \$92,738 as compared to the Adopted FY 2010 budget of \$728,579.

Significant changes compared to the Adopted FY 2010 budget include:

- \$148,504 increase in Salaries and Employee Benefits reflecting the transfer of a full-time Neighborhood Services Manager, a part-time Environmental Inspector, and funding for the Sheriff's Department Inmate Labor Program from the Director's budget, as well as transferring a full-time Neighborhood Program Manager from Engineering to the Inspections and Code Enforcement Division. In addition, one part-time Building Inspector is eliminated, and a percentage (0.25 FTE) of a Plans Reviewer position is being transferred to the HOME Fund. These reductions offset a higher Virginia Retirement System rate.
Service Impact: With the current reduction in development, no significant service impact is expected. Blending the Code Enforcement Division with Inspections and transferring the Neighborhood Program Manager from Engineering is expected to offset the loss of 1.5 Environmental Inspectors and result in a more efficient Code Enforcement program.
- \$40,000 decrease in Contractual Services for demolition services that are proposed to be funded by the CDBG Fund.
- \$11,178 decrease in Internal Service Charges reflecting the elimination of two vehicles.
- \$4,588 decrease in Other Charges reflecting a reduction in office supplies and the elimination of cell phone and Blackberry devices.

The Proposed FY 2011 Community Development – Inspections and Code Enforcement Division budget was adopted by City Council with the following change:

- ♦ \$31,566 decrease in Salaries and Employee Benefits to reflect split funding with the Public Works – Engineering Division for the Neighborhood Program Manager position.



Community Development – Planning Division. Reviews and approves all site plans and subdivision plats. Makes recommendations to City Council about re-zonings and conditional use permits. The staff serves as secretary to the Planning Commission and the Board of Historic and Architectural Review, and handles historic preservation issues. This division is also responsible for long-range planning and updating the City’s Comprehensive Plan.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	6	5	5	5	5
TOTAL FTE	6	5	5	5	5
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$298,222	\$245,605	\$245,604	\$245,604	\$245,604
Employee Benefits	101,723	94,560	100,381	100,381	100,381
Contractual Services	49,106	7,200	7,200	7,200	7,200
Other Charges	20,114	16,467	12,332	12,332	12,332
TOTAL CITY COST	\$469,165	\$363,832	\$365,517	\$365,517	\$365,517

Community Development – Planning Division Budget Description

The Manager’s Proposed FY 2011 Community Development – Planning Division budget of \$365,517 represents a 0.5% increase of \$1,685 as compared to the Adopted FY 2010 budget of \$363,832.

Significant changes compared to the Adopted FY 2010 budget include:

- \$5,820 increase in Salaries and Employee Benefits due to a higher Virginia Retirement System rate.
- \$4,135 decrease in Other Charges reflecting the elimination of cell phone and Blackberry devices, the elimination of mileage reimbursement, and other minor adjustments based on historical spending.

The Proposed FY 2011 Community Development – Planning Division budget was adopted by City Council without changes.



Community Development – Engineering Division. In FY 2011, the Engineering Division is transferred to the Department of Public Works, effective July 1, 2010.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	36.00	35.00	0.00	0.00	0.00
City Funded Temporary	8.79	2.05	0.00	0.00	0.00
TOTAL FTE	44.79	37.05	0.00	0.00	0.00
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,946,251	\$1,788,622	\$0	\$0	\$0
Employee Benefits	622,738	664,394	0	0	0
Contractual Services	68,789	80,610	0	0	0
Internal Service Charges	59,867	69,035	0	0	0
Other Charges	1,387,694	1,338,466	0	0	0
TOTAL EXPENDITURES	\$4,085,339	\$3,941,127	\$0	\$0	\$0
DEDICATED REVENUES					
State Categorical Aid - Highway Maintenance ¹	\$2,922,529	\$2,989,253	\$0	\$0	\$0
State Categorical Aid - Urban Project Overhead ¹	266,556	0	0	0	0
Federal Categorical Aid - Urban Project Overhead ¹	51,387	0	0	0	0
Engineering Service Charges ¹	0	80,000	0	0	0
TOTAL DEDICATED REVENUES	\$3,240,472	\$3,069,253	\$0	\$0	\$0
TOTAL CITY COST	\$844,867	\$871,874	\$0	\$0	\$0

¹ Effective July 1, 2010, the Engineering Division is transferred to the Department of Public Works; the associated revenue is shifted as well.

Community Development – Engineering Division Budget Description

The Manager’s Proposed FY 2011 Community Development – Engineering Division budget of \$0 represents a 100.0% decrease compared to the Adopted FY 2010 budget of \$3,941,127.

The Proposed FY 2011 Community Development – Engineering Division budget was adopted by City Council without changes.



Community Development – Geographic Information System (GIS) Division. The GIS Division was transferred to the Department of Information Technology in January 2010.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	3	3	0	0	0
TOTAL FTE	3	3	0	0	0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$124,470	\$125,194	\$0	\$0	\$0
Employee Benefits	45,389	50,329	0	0	0
Contractual Services	3,687	96,855	0	0	0
Other Charges	11,050	6,765	0	0	0
TOTAL CITY COST	\$184,596	\$279,143	\$0	\$0	\$0

Community Development – Geographic Information System Division Budget Description

The Manager’s Proposed FY 2011 Community Development – Geographic Information System Division budget of \$0 represents a 100.0% decrease compared to the Adopted FY 2010 budget of \$279,143.

The Proposed FY 2011 Community Development – Geographic Information System Division budget was adopted by City Council without changes.



Community Development Performance Measures

Goal 1: Facilitate development by reviewing and processing site plans, subdivision plats, and public hearing items in a timely manner 100% of the time.				
Objective: Identify ways to improve the quality and timeliness of reviews while ensuring compliance with City Code and fulfilling the Goals and Objectives of the Comprehensive Plan.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percentage of site plans, subdivision plats, and public hearings reviewed and processed within the designated time period	New Measure	95%	90%	95%
Number of site plans, subdivision plats, and public hearings reviewed and processed within the designated time period	163	166	83	175
Analysis of the Data: The number of plans, plats, and public hearing items can be directly correlated to overall economic conditions. The timeliness of review is an indicator of customer service. Timeliness of review is dependent upon the cooperation and collaboration of many different City departments. Every effort is made to ensure timeliness of review; however, sometimes there are mitigating circumstances that prevent reviews being performed in a timely manner 100% of the time. Minor increases are anticipated in FY 2011 based on the level of inquiries regarding development during early calendar year 2010.				
Benchmark Localities: Charlottesville, Spotsylvania, Albemarle, and City of Roanoke, VA				



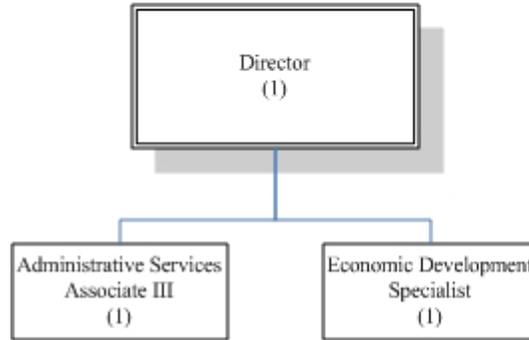
Community Development Performance Measures (continued)

Goal 2: Create and sustain a safe and quality built environment through code enforcement.				
Objective: Ensure compliance with City Code and the Uniform Statewide Building Code.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of Zoning and Erosion and Sediment Control Reviews and Inspections	2,956	3,065	1,532	3,150
Code Enforcement Notices of Violation	1,867	840	363	1,500
New Construction Inspections	12,814	8,900	4,494	7,500
Rental Property Inspections	380	500	194	700
Property Maintenance Inspections	2,597	2,600	1,483	2,400
Analysis of the Data:				
<i>Zoning and Erosion and Sediment Control Reviews and Inspections:</i> Based on open projects, continued development of Cornerstone, and absorbing full responsibility from the Engineering Division for the Erosion and Sediment Control Program, minor growth is expected in FY 2011.				
<i>Code Enforcement:</i> Due to the vacancy of a full-time Environmental Inspector, the number of code violation notices issued in FY 2010 is projected to be less than one-half of the FY 2009 actual number. In addition to this loss, in FY 2011 a part-time Environmental Inspector is proposed for elimination. Although this is a significant reduction in personnel assigned to these duties, remaining staff is transitioning to increase the number of notices issued to 1,500.				
<i>New Construction Inspections:</i> Given the economy, this measure is very difficult to project. New Construction Inspections in FY 2011 are projected to be slightly less than FY 2010 based on known new construction in the pipeline (Oakwood, Cornerstone, various loft projects, low-income housing tax credit projects, and renovations and additions).				
<i>Rental Property Inspections:</i> Rental inspections are projected to increase due to the number of re-inspections scheduled for FY 2011.				
<i>Property Maintenance Inspections:</i> Property Maintenance Inspections are complaint-based and difficult to project; however, given on-going monitoring of properties, the number of inspections is projected to decrease. It should be noted that these numbers reflect multiple visits to single properties.				
Benchmark Localities: Danville and Roanoke, VA				



ECONOMIC DEVELOPMENT

POSITION SUMMARY
.....
3 City Funded Positions
3 Total Funded Positions





Office of Economic Development. Charged with creating jobs and expanding the economic base of the City by improving the overall business climate and revitalizing the downtown business district, the Office of Economic Development actively supports the retention and expansion of existing businesses, and the startup of new businesses through: assistance in site selection; research and technical assistance tailored to each client’s needs; assistance in expediting rezoning and permitting processes. The Office markets and promotes City resources to current and potential employers by delivering presentations, distributing printed information, designing development programs and hosting business representatives. The Office administers incentive programs and proactively offers technical assistance and information to local businesses, by calling on them or by responding to requests for assistance. The Office also helps in developing industrial sites/parks, securing project financing, and obtaining federal and state grants.

Lynchburg Economic Development Authority (LEDA). The Office of Economic Development staffs the LEDA, which develops industrial parks and buildings within the City and is responsible for Lynchburg’s economic development incentive program.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	4.00	3.00	3.00	3.00	3.00
City Funded Temporary	0.50	0.42	0.00	0.00	0.00
TOTAL FTE	4.50	3.42	3.00	3.00	3.00
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$222,383	\$190,532	\$174,708	\$174,708	\$174,708
Employee Benefits	71,589	63,973	66,812	66,812	66,812
Contractual Services	5,641	16,300	19,418	19,418	19,418
Other Charges	38,766	40,920	45,090	45,090	45,090
Capital Outlay	31,643	32,939	1,883	1,883	1,883
TOTAL CITY COST	\$370,022	\$344,664	\$307,911	\$307,911	\$307,911

Office of Economic Development Budget Description

The Manager’s Proposed FY 2011 Office of Economic Development budget of \$307,911 represents a 10.7% decrease of \$36,753 as compared to the Adopted FY 2010 budget of \$344,664.

Significant changes compared to the Adopted FY 2010 budget include:

- \$12,985 decrease in Salaries and Employee Benefits reflecting the elimination of one temporary position, offset by a higher Virginia Retirement System rate.
Service Impact: Economic Development Authority property management, project management, and Enterprise Zone field work will be picked up by the remaining staff.
- \$3,118 increase in Contractual Services reflecting the creation of brochures for all programs.
- \$26,886 decrease in Other Charges reflecting a reduction in rentals and leases due to the relocation of the Economic Development Office to City Hall.

The Proposed FY 2011 Office of Economic Development budget was adopted by City Council without changes.



Office of Economic Development Performance Measures

Goal 1: Relationship management and building through business engagement.				
Objective: Establish the Office of Economic Development (OED) as a primary resource to promote retention and expansion of the City's existing businesses through multiple types of communications, informational meetings, events, and programs.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of participants	783	350	314	875
Analysis of the Data: Relationships with and connections made for the City's business community are a priority for the OED. The department tracks all connections made with customers (City businesses) using a specialized database. While every effort is made to increase the number of "touches," reductions in staff and monetary resources are reflected in the projections.				

Goal 2: Business recruitment and development.				
Objective: Strengthen and support a business environment which attracts and develops businesses through a "value added" model of state and local innovative incentive programs and strategic regional alliances.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of inquiries	622	500	701	800
Analysis of the Data: Increased inquiries have been shown to boost participation in programs. Limited resources will impact the OED's ability to communicate, market, and administer programs at an optimal level.				

Goal 3: Marketing, information management, and workforce development initiatives.				
Objective: Collect, market, and distribute information both internally and externally to market the City as a great place to live, work, and play. Connect the public and private schools with the business community to create organic workforce development.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Number of Initiatives	12	10	6	10
Analysis of the Data: As outlined above, with limited resources, the OED will seek opportunities to collaborate and share resources to accomplish innovative, agile initiatives to promote the City and it's assets. The department plans to track initiatives and participation and continue to seek innovative organic approaches to workforce development, marketing, and branding as well as effective, efficient data collection methods. Reduced staff and budget will impact capacity.				

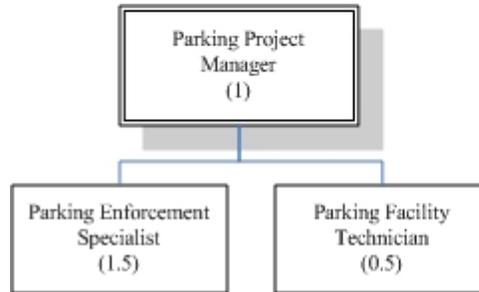
Benchmark Localities: Virginia's First Cities - Charlottesville, Danville, Fredericksburg, Hampton, Hopewell, Martinsville, Newport News, Norfolk, Petersburg, Portsmouth, Richmond, Roanoke, Staunton, and Winchester				
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PARKING MANAGEMENT

POSITION SUMMARY
.....
3 City Funded Positions

3 Total Funded Positions





Parking Management. In FY 2011, the Department of Parking Management was established to encompass all parking-related expenditures and revenues.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	0.0	0.0	1.5	1.5	1.5
City Funded Part-Time	0.0	0.0	1.5	1.5	1.5
TOTAL FTE	0.0	0.0	3.0	3.0	3.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$0	\$0	\$121,877	\$121,877	\$121,877
Employee Benefits	0	0	36,375	36,375	36,375
Contractual Services	0	0	182,478	182,478	182,478
Internal Service Charges	0	0	10,400	10,400	10,400
Other Charges	0	0	80,620	80,620	80,620
TOTAL EXPENDITURES	\$0	\$0	\$431,750	\$431,750	\$431,750
DEDICATED REVENUES					
Downtown Parking Deck Lease	\$0	\$0	\$65,000	\$65,000	\$65,000
Hourly Parking Fees	0	0	58,500	58,500	58,500
Permit Parking Fees	0	0	199,250	199,250	199,250
Fines	0	0	109,000	109,000	109,000
TOTAL DEDICATED REVENUES	\$0	\$0	\$431,750	\$431,750	\$431,750
TOTAL CITY COST	\$0	\$0	\$0	\$0	\$0

Parking Management Budget Description

The Manager’s Proposed FY 2011 Parking Management budget of \$431,750 represents a 192.7% increase of \$284,236 as compared to the Adopted FY 2010 budget of \$147,514 shown in the General Government Administration section of this document.

Significant changes compared to the Adopted FY 2010 budget include:

- \$18,043 increase in Salaries and Employee Benefits reflecting the addition of a Parking Deck maintenance position (this position is currently in the Public Works Department and will be shared between both departments), offset by a higher Virginia Retirement System rate.
- \$182,433 increase in Contractual Services reflecting software purchases and the Mid-Town parking Deck Management fee payment to Lynch's Landing for levels B through E.
- \$10,400 increase in Internal Service Charges to reflect the transfer of the costs associated with the two parking patrol vehicles from the Police Department to the Parking Division.
- \$73,360 increase in Other Charges reflecting transferring the Clay Street Parking Lease payment from Engineering and parking lot rentals to be in compliance with the City’s agreement with the Central Virginia Criminal Justice Academy for providing 100 parking spaces for their use.

The Proposed FY 2011 Parking Management budget was adopted by City Council without changes.



The City provides funding to organizations that provide development, environmental protection, health, and other services to the community.

	Actual FY 2009	Adopted FY 2010	Agency Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
<u>Mandated</u>					
Blue Ridge Regional Jail Authority	\$3,744,294	\$4,110,862	\$3,968,582	\$4,274,213	\$4,447,755
Central Virginia Community Services Board	444,003	444,003	444,003	444,003	444,003
Lynchburg Health Department	804,565	840,800	793,060	793,060	793,060
Indigent Hospitalization	16,705	0	0	0	0
Region 2000 Local Government Council	44,200	44,200	40,672	40,672	40,672
	\$5,053,767	\$5,439,865	\$5,246,317	\$5,551,948	\$5,725,490
<u>Contractual</u>					
Lynchburg Humane Society	\$137,901	\$104,500	\$100,000	\$104,500	\$104,500
Lynchburg Lifesaving/Rescue Squad	4,740	10,000	10,000	10,000	10,000
Lynchburg Neighborhood Development Foundation	25,000	25,000	20,000	20,000	16,247
Lynchburg Regional Convention and Visitors Bureau	670,000	670,000	1,100,000	890,000	890,000
Lynch's Landing, Inc.	45,320	49,050	49,050	49,050	49,050
Southern Memorial Association (Old City Cemetery)	122,438	122,438	118,621	122,438	122,438
Virginia Cooperative Extension Service	22,468	32,663	29,163	29,163	29,163
	\$1,027,867	\$1,013,651	\$1,426,834	\$1,225,151	\$1,221,398
<u>Discretionary</u>					
Amazement Square	\$0	\$5,013	\$5,302	\$5,302	\$5,302
Arc of Central Virginia	0	0	29,369	0	0
Central Virginia Area Agency on Aging	15,000	15,000	13,500	15,000	15,000
Central Virginia Community College	1,834	1,831	1,831	1,831	1,831
Court Appointed Special Advocate	12,000	12,000	10,800	12,000	12,000
Dr. Martin Luther King, Jr. Lynchburg Community Council (MLKLCC)	5,000	0	0	0	0
Hill City Youth Football and Cheerleading Association, Inc.	0	0	17,389	0	0
Region 2000 Economic Development Council	81,586	82,250	82,250	82,250	82,250
Robert E. Lee Soil & Water Conservation District	10,000	10,000	9,000	10,000	10,000
Virginia Legal Aid Society	10,000	10,000	10,400	10,000	10,000
	\$135,420	\$136,094	\$179,841	\$136,383	\$136,383
TOTAL CITY COST	\$6,217,054	\$6,589,610	\$6,852,992	\$6,913,482	\$7,083,271

Amazement Square. A non-profit children’s museum that provides cultural and educational opportunities for children and families; the amount of funding equals the Real Property Tax associated with the Riverfront Skatepark.

The Arc of Central Virginia. Provides services to enhance the lives of individuals with mental retardation and developmental disabilities and their families.

Blue Ridge Regional Jail Authority (BRRJA). The BRRJA is a cooperative effort to provide jail services for Lynchburg, and Halifax, Campbell, and Bedford Counties.

Central Virginia Area Agency on Aging. Provides services to help senior citizens maintain their dignity and independence by remaining in their own homes.



Central Virginia Community College Board (CVCC) and Related Operations. Provides education and workforce development to citizens in Region 2000.

Central Virginia Community Services Board. Provides treatment and residential programs for mental health, mental retardation, substance abuse and prevention for the Cities of Lynchburg and Bedford and the Counties of Amherst, Appomattox, Bedford and Campbell.

Court Appointed Special Advocate (CASA). Supports trained community volunteers who advise the court about the best interest of abused and neglected children.

Dr. Martin Luther King, Jr. Lynchburg Community Council (MLKLCC). Promotes an improved quality of life for all citizens through education, awareness, and advocacy of Dr. King's dream.

Hill City Youth Football and Cheerleading Association, Inc. Provides football and cheerleading experience to pre-middle school youth in order to build discipline, camaraderie, cooperation skills, structure, and academic awareness.

Indigent Hospitalization. The local match amount for the Virginia Department of Medical Assistance. As of FY 2010, the State discontinued this program.

Lynch's Landing, Inc. Funding for the management of the City's parking deck.

Lynchburg Health Department. The local match for the Central Virginia Health District of the Commonwealth of Virginia Department of Health. The Central Virginia Health District serves the Counties of Amherst, Appomattox, Bedford and Campbell and the City of Lynchburg.

Lynchburg Humane Society. The City contracts with the Lynchburg Humane Society to operate the Animal Shelter for the purpose of impounding and harboring seized, stray, homeless, abandoned, or unwanted animals.

Lynchburg Life Saving Crew/Rescue Squad. The City pays for fleet services including fuel for supplemental services to the City's emergency services program.

Lynchburg Neighborhood Development Foundation (LNDF). LNDF attracts funds into the City and the region primarily to support affordable and safe housing development. LNDF acts as a consultant to public and private sector persons and groups in the areas of housing development, real estate and community development finance, and issues related to low-income populations.

Lynchburg Regional Convention and Visitors Bureau. The City supports travel and tourism in the Lynchburg area through a contractual agreement with the Lynchburg Regional Chamber of Commerce.

Region 2000 Economic Development Partnership. Annual membership dues for Region 2000 based on population.

Region 2000 Local Government Council Regional Commission (formerly Region 2000 Regional Commission). Facilitates regional coordination between the members of Region 2000 for planning and development. Region 2000 consists of the Cities of Bedford and Lynchburg, the Towns of Altavista, Amherst, Appomattox and Brookneal, and the Counties of Amherst, Appomattox, Bedford, and Campbell.

Robert E. Lee Soil and Water Conservation District. The District consists of the Counties of Amherst, Appomattox, Campbell and the City of Lynchburg and performs basic storm water and erosion control plan review and flood studies for development sites.

Southern Memorial Association. The Old City Cemetery is operated by the Southern Memorial Association, thereby relieving the City government of management of this historic property.

Virginia Cooperative Extension Service. A joint program of Virginia Tech, Virginia State University, the United States Department of Agriculture and state and local governments to provide educational programs.

Virginia Legal Aid Society. A non-profit law firm that provides free legal information, advice and representation in civil cases to low-income individuals and families.



Lynchburg’s government makes payments for service and transfers funds from the General Fund to other operating units and agencies of the City. Transfers include payments from the General Fund to other funds as a subsidiary or payment for services.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
Transfers					
Airport Fund	\$295,850	\$286,401	\$271,120	\$271,120	\$271,120
City Capital Projects Fund	6,172,238	2,820,617	6,358,881	6,358,881	6,358,881
School Capital Projects Fund	162,010	0	1,941,733	1,941,733	1,941,733
City/Federal/State Aid Fund (Matching Funds)	144,575	36,068	30,799	30,799	27,070
Fleet Debt Service	764,238	0	0	0	0
Economic Development (Economic Development Authority)	200,000	0	0	0	0
Stadium Fund	352,795	341,654	318,130	318,130	318,130
Technology Fund	782,113	647,199	624,347	624,347	624,347
Total Transfers	\$8,873,819	\$4,131,939	\$9,545,010	\$9,545,010	\$9,541,281
Non-Departmental					
Employee Benefits					
Workers' Compensation	\$960,722	\$983,000	\$883,000	\$883,000	\$883,000
Retiree Benefits	2,053,688	2,480,244	2,507,540	2,507,540	2,507,540
Unemployment Compensation	68,569	50,000	90,000	90,000	90,000
Other Employment Benefits	9,558	10,800	10,800	10,800	10,800
Auditing Services	20,000	7,000	15,000	15,000	15,000
Employee Programs					
Tuition Reimbursement	32,828	30,000	30,000	30,000	30,000
Employee Assistance Program	23,328	24,500	25,725	25,725	25,725
Employee Appreciation	13,712	34,050	33,350	33,350	33,350
Managed Vacancy Program	0	(760,425)	0	0	0
Fleet (Depreciation)	1,412,603	1,775,012	1,902,147	1,909,960	1,909,960
Compensation Adjustment	0	(1,606,666)	0	0	0
Water Fund Payment	345,000	351,900	351,900	351,900	351,900
Administration Fees - Health and Dental	10,000	10,000	10,000	10,000	10,000
Health Management Program	109,816	161,600	238,275	238,275	238,275
Health Insurance Reduction	0	(528,120)	0	0	0
Life Insurance Reduction	0	(15,000)	0	0	0
Total Non-Departmental	\$5,059,824	\$3,007,895	\$6,097,737	\$6,105,550	\$6,105,550
Total Transfers and Non-Departmental	\$13,933,643	\$7,139,834	\$15,642,747	\$15,650,560	\$15,646,831

TRANSFERS

Airport Fund. Transfer from the General Fund to the Airport Fund primarily to fund debt service for the terminal.

City Capital Projects Fund. Transfer from the General Fund to the City Capital Projects Fund for Pay-As-You-Go projects and Reserves for projects.

School Capital Projects Fund. Transfer from School Operating Year-End Fund Balance.

City/Federal/State Aid Fund (Matching Funds). Amounts appropriated from the General Fund transferred to this fund for matching funds for State and Federal grants.

Fleet Debt Service. Transfer from the General Fund for debt payments related to fire and rescue equipment.



Economic Development (Lynchburg Economic Development Authority). Transfer to the Lynchburg Economic Development Authority to fund Economic Development activities.

Stadium Fund. Transfer to Stadium Fund for renovation and operations of baseball stadium.

Technology Fund. Funding from revenue generated by partnership with Ntelos.

NON-DEPARTMENTAL

Employee Benefits. Workers compensation, retiree health benefit and other benefit payments as required by the fringe benefit program.

Employee Programs. Funding for Tuition Assistance and the Employee Assistance Program.

Employee Appreciation. Funding for Employee Awards and Recognition, Retiree Recognition, and Take Your Kids to Work Day.

Managed Vacancy Program. Budgeting for vacant City positions.

Fleet Vehicle Capital (Depreciation). Cost for depreciation of vehicles.

Compensation Adjustment. Decrease in salary expenses realized through a three percent (3%) reduction in annual pay for all City employees.

Structure Adjustment. Funding for salary adjustments for employees based on market analysis and reclassification of positions.

Water Fund Payment. Transfer to the Water Fund for City's fire hydrant use.

Administration Fees – Health and Dental. Cost of independent actuarial and consulting services to support effective benefits management.

Health Management Program. Funding to provide an on-site Nurse Practitioner, wellness programs to assist in preventative care, and vision coverage for employees enrolled in the health management program.

Health Insurance Reduction. Savings in the projected City contribution for individual employee medical benefits based on recent experience and anticipated reduction in claims.

Life Insurance Reduction. Savings in the projected City contribution for individual employee life insurance benefits based on projected rate changes.



Long-term Debt

Total outstanding debt was \$289.1 million with \$161.2 million of business-type activities debt supported by the individual funds, resulting in net bonded debt for governmental activities of \$127.9 million. Capital leases of \$0.6 million for the regional radio system joint venture and \$5.2 million for the human services facility were included, while liabilities for compensated absences and workers' compensation of \$5.5 million and other post employment benefits liability of \$2.6 million were excluded.

**Long-term Debt Obligations
As of June 30, 2009/2008
(in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government		Percentage Change
	2009	2008	2009	2008	2009	2008	2009-2008
General Obligation Bonds	\$ 112.0	\$ 117.4	\$ 56.9	\$ 63.6	\$ 168.9	\$ 181.0	-7%
Revenue Bonds	-	-	100.3	84.4	100.3	84.4	19%
Literary Bonds	-	0.1	-	-	-	0.1	-100%
General Obligation Notes	7.5	1.3	4.0	-	11.5	1.3	785%
Note Payable	2.6	2.8	-	-	2.6	2.8	-7%
Capital Lease	5.8	6.3	-	-	5.8	6.3	-8%
Total	\$ 127.9	\$ 127.9	\$ 161.2	\$ 148.0	\$ 289.1	\$ 275.9	5%

Total new debt of \$29.2 million was issued. It consisted of \$6.2 million was for governmental activities and \$23 million was for business-type activities. In addition, \$2.7 million was a debt transfer from business-type activities to governmental activities. Governmental activities total new long-term debt of \$8.9 million consisted of \$2.7 million from general obligation bonds previously allocated to the Solid Waste Management Fund and transferred to governmental activities with the sale of this operation to the Regional 2000 Services Authority; and, \$6.2 million of an outstanding principal balance from a line of credit Financing Agreement. During FY 2008, the City issued a five-year general obligation bond anticipation note concurrent with this Financing Agreement to provide up to \$15 million of interim financing for qualifying capital improvements. Business-type activities new long-term debt of \$23 million consisted of \$19 million from the Virginia Revolving Loan Program (VRL) for CSO sewer capital projects; and, \$4 million of an outstanding principal balance from a line of credit Financing Agreement.

The City retired \$16 million of outstanding principal, all of which were planned principal retirements. The governmental activities principal retirements were \$8.9 million and the business-type activities principal retirements were \$7.1 million. Business-type activities total reduction in debt was \$9.8 million which included the \$2.7 million outstanding debt transfer to governmental activities noted above.

The City's general obligation bonds continued to maintain an Aa3 rating from Moody's Investors Service dated July 15, 2009, an AA rating from Standard & Poor's Ratings Services dated July 10, 2009, and an AA rating from Fitch Ratings dated July 15, 2009. These ratings were for the City's August 13, 2009 General Obligation Public Improvement Bonds Series 2009A (Tax-Exempt), Series 2009B (Taxable-Build America Bonds) and SeriesC (Tax-Exempt Refunding). Standard & Poor's utilized their Financial Management Assessment (FMA) model, which resulted in a "strong" ranking for the City's management practices, which is the highest ranking offered in this assessment. This "strong" ranking indicates that management practices, particularly related to fiscal and debt policies, are strong, well embedded, and likely sustainable.

Because certain maturities of the August 2, 2007 bond issue were insured by MBIA as detailed in Note 9 Long-Term Liabilities, the City filed three notices of material events in FY 2009 through DisclosureUSA in compliance with continuing disclosure requirements to the Municipal Securities Rulemaking Board and the Nationally Recognized Municipal Securities Information Repositories (NRMSIRS). All three notices were related to MBIA's ratings and correspondingly the rating of obligations insured by MBIA, including the Insured Bonds, to the extent based on the financial guaranty insurance policies issued by MBIA.

On November 13, 2009, the City participated in a Virginia Public School Authority Taxable General Obligation Public Improvement Bond Issue. These were Qualified School Construction Bonds as part of the American Recovery and Reinvestment Act and issued as investor tax credit bonds with a 0% coupon. The City's portion of the pooled bond issue was



\$10,255,000 with a final maturity on September 15, 2026. This partially financed new construction for Sandusky Middle School and removed this project from the State’s Literary Loan Program.

The City Council adopted Debt Management Policy was amended in December 2006 and limited tax-supported debt not to exceed 4.5% of net assessed valuation of taxable property in the City. As of the end of FY 2009, outstanding tax-supported debt was 2.22% of net assessed valuation. In addition, the City Council adopted Budget Policy was amended in December 2006. It established that pay-as-you-go funding, as a percentage of the City’s Five Year Capital Improvement Program, shall not be less than 10%, and it set a goal of 15%. Both policies were reaffirmed by City Council on December 9, 2008. Detailed information on the City’s long-term debt is included in Note 9 of this report.

Long-Term Liabilities

General Obligation Debt:

	Interest Rates (%)	Date Issued	Final Maturity	Original Issue	Primary Government			Total All Funds	
					Public Improvements	School Facilities	Proprietary Funds		
Bond Anticipation Note									
Public Improvement-Line of Credit for Five Years	Variable-LIBOR- Max 6.00	03/27/2008	2013	\$ 15,000,000	\$ -	\$ 7,500,000	\$ 4,000,000	\$ 11,500,000	
State Literary Fund Loans									
Virginia Department of Treasury	4.00	07/01/1990	2011	372,412	-	30,412	-	30,412	
Serial Bonds									
VPSA General Obligation	4.90-6.35	11/12/1992	2013	458,292	-	108,328	-	108,328	
VA Resources Authority	0.00	03/24/1994	2027	3,976,369	-	-	2,205,451	2,205,451	
VPSA General Obligation	6.10-6.60	11/22/1994	2015	2,100,362	-	740,460	-	740,460	
Public Improvement	4.60-5.40	06/01/1999	2019	17,820,000	3,658,824	1,369,843	3,146,333	8,175,000	
Public Improvement	5.30-5.60	07/01/2000	2010	14,405,000	268,042	95,358	211,600	575,000	
Public Improvement	3.50-4.88	08/01/2001	2032	14,620,000	949,258	1,285,742	8,625,000	10,860,000	
VPSA General Obligation	3.10-5.10	11/15/2001	2022	3,473,329	-	2,349,848	-	2,349,848	
VPSA General Obligation	2.35-4.85	11/07/2002	2023	6,513,732	-	4,687,512	-	4,687,512	
Public Improvement Refunding	2.00-5.00	02/01/2003	2014	23,670,000	2,590,105	198,630	2,441,265	5,230,000	
Public Improvement	2.50-4.70	02/01/2003	2033	16,745,000	5,780,000	1,810,000	4,795,000	12,385,000	
Public Improvement	3.00-5.00	06/01/2004	2034	28,160,000	8,050,000	8,025,000	6,560,000	22,635,000	
Public Improvement Refunding	3.00-5.25	03/16/2005	2030	33,105,000	12,390,885	7,580,160	9,638,955	29,610,000	
Taxable Refunding	3.90-4.86	03/16/2005	2014	3,810,000	-	2,800,000	-	2,800,000	
VPSA General Obligation	4.60-5.10	11/10/2005	2026	6,411,957	-	5,565,634	-	5,565,634	
Public Improvement	4.00-5.00	05/09/2006	2026	23,840,000	13,683,008	5,396,448	2,360,544	21,440,000	
Public Improvement	4.00-5.00	08/02/2007	2038	33,300,000	14,627,952	-	17,792,048	32,420,000	
Public Improvement Refunding	2.93	03/19/08	2015	8,000,000	2,198,644	2,055,032	2,800,324	7,054,000	
					<u>\$ 64,196,718</u>	<u>\$ 51,598,407</u>	<u>\$ 64,576,520</u>	<u>\$ 180,371,645</u>	

Bonds issued between 1992 and 2009 are callable subject to a maximum premium of 2%.

Authorized and unissued general obligation public improvement bonds amounted to \$23,473,043 at June 30, 2009.

The Constitution of Virginia, Article VII, Section 10(a) sets forth the City’s legal debt limit at ten percent (10%) of its real estate assessed valuation for the City’s issuance of any bonds or other interest-bearing obligations. As of June 30, the City’s aggregate general obligation indebtedness was \$180,371,645 and less than the state limit. In December 2006, City Council amended the Debt Management Policy, which limited tax-supported debt to four and a half percent (4.5%) of its assessed valuation of real estate subject to taxation. There are no overlapping tax jurisdictions.



Long-Term Liabilities

Revenue Debt:

	Interest Rates %	Date Issued	Final Maturity	Original Issue	Sewer Fund
Virginia Resources Authority:					
Public Utility Revenue Bonds	0.00	3/28/1995	2027	\$ 6,571,207	\$ 3,110,819
Public Utility Revenue Bonds	0.00	8/10/1995	2029	10,000,000	5,432,540
Public Utility Revenue Bonds	0.00	6/27/1996	2029	8,000,000	4,205,319
Public Utility Revenue Bonds	3.00	7/17/1997	2020	14,108,460	8,767,329
Public Utility Revenue Bonds	0.00	7/17/1997	2030	7,591,540	4,641,770
Public Utility Revenue Bonds	0.00	8/1/1998	2031	6,203,000	4,066,373
Public Utility Revenue Bonds	3.00	6/2/1999	2020	2,476,763	1,536,168
Public Utility Revenue Bonds	0.00	9/2/1999	2021	5,300,000	3,347,368
Public Utility Revenue Bonds	0.00	3/15/2001	2032	735,000	516,710
Public Utility Revenue Bonds	3.50	6/8/2001	2021	2,835,000	2,027,516
Public Utility Revenue Bonds	0.00	11/6/2001	2034	1,413,613	1,097,946
Public Utility Revenue Bonds	0.00	9/15/2003	2036	2,350,165	2,034,609
Public Utility Revenue Bonds	0.00	5/20/2004	2038	6,000,000	5,500,000
Public Utility Revenue Bonds	0.00	5/17/2005	2038	6,700,000	6,253,333
Public Utility Revenue Bonds	0.00	6/28/2006	2039	9,600,000	9,440,000
Public Utility Revenue Bonds	0.00	6/20/2007	2039	7,000,000	7,000,000
Public Utility Revenue Bonds	0.00	6/5/2008	2041	12,350,000	12,350,000
Public Utility Revenue Bonds	0.00	6/25/2009	2041	19,000,000	19,000,000
					<u>\$ 100,327,800</u>

The revenue bonds have been issued in accordance with the terms of an indenture agreement with the Virginia Resources Authority (VRA) of the Commonwealth of Virginia. The indenture agreement requires the City to pledge its Sewer Fund Revenues as collateral for the revenue bonds and to maintain debt coverage in the Sewer Fund equal to at least 1.15 of all debt service payments which exclude any refunded principal payments. As shown in the Supplementary Statistical Table 21, the debt coverage ratio for the year ended June 30 was 1.51.

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions and Transfers	Deletions and Transfers	Ending Balance	Current Portion
Governmental Activities					
Bond anticipation note-line of credit	\$ 1,343,389	\$ 6,156,611	\$ -	\$ 7,500,000	\$ -
General obligation bonds*	117,407,162	2,721,441	8,118,033	112,010,570	9,234,580
Notes payable**	2,840,000	-	180,000	2,660,000	180,000
State literary fund loans	49,412	-	19,000	30,412	19,000
Adjust for deferred amounts:					
Issuance premiums*	2,211,390	114,075	139,509	2,185,956	-
Upon refunding*	(1,419,743)	(93,285)	(177,598)	(1,335,430)	-
Total bonds and notes	122,431,610	8,898,842	8,278,944	123,051,508	9,433,580
Workers' compensation	797,737	957,221	848,719	906,239	105,506
Compensated absences	4,119,136	2,837,907	2,834,740	4,122,303	684,877
Other postemployment benefits	1,768,605	3,669,543	3,064,375	2,373,773	-
Capital lease obligations	6,316,193	-	512,046	5,804,147	530,955
	<u>\$ 135,433,281</u>	<u>\$ 16,363,513</u>	<u>\$ 15,538,824</u>	<u>\$ 136,257,970</u>	<u>\$ 10,754,918</u>



Long-Term Liabilities (Continued)

Primary Government

	Beginning Balance	Additions and Transfers	Deletions and Tranfers	Ending Balance	Current Portion
Business-Type Activities					
Bond anticipation notes	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	\$ -
General obligation bonds*	63,550,336	-	6,719,673	56,830,663	4,062,442
Public utility revenue bonds	84,425,645	19,000,000	3,097,845	100,327,800	3,520,797
Adjust for deferred amounts:					
Issuance discounts	(62,117)	-	(18,154)	(43,963)	-
Issuance premiums*	867,777	-	186,942	680,835	-
Upon refunding*	(933,444)	-	(249,280)	(684,164)	-
Total bonds and notes payable	147,848,197	23,000,000	9,737,026	161,111,171	7,583,239
Workers' compensation	115,800	35,730	71,793	79,737	9,568
Compensated absences	411,884	339,414	334,586	416,712	71,223
Other postemployment benefits	161,490	272,510	247,305	186,695	-
Landfill – open landfill	3,574,608	-	3,574,608	-	-
	<u>\$ 152,111,979</u>	<u>\$ 23,647,654</u>	<u>\$ 13,965,318</u>	<u>\$ 161,794,315</u>	<u>\$ 7,664,030</u>

* Governmental activities additions identified with an asterisk (*) are due to the transfer of Solid Waste Management Fund's operations to the Regional 2000 Services Authority, resulting in the transfer of outstanding general obligation debt to the General Fund. These amounts identified in the governmental activities additions are included in the business-type activities as deletions.

**A note receivable was obtained concurrent with the issuance of this note payable. Neither instrument constituted a source or a use of current financial resources; therefore, they are not reflected in the fund statements. The note receivable is included in other assets on Exhibit 1.

Debt Service to Maturity:

Year Ending June 30	Governmental Activities					
	Governmental General Obligation		Literary Fund Loans		Capital Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 9,234,580	\$ 4,984,757	\$ 19,000	\$ 1,216	\$ 530,955	\$ 211,321
2011	9,240,215	4,618,958	11,412	456	550,101	192,175
2012	8,517,889	4,263,735	-	-	437,790	172,336
2013	8,600,315	3,888,507	-	-	314,277	158,398
2014	8,158,370	3,507,351	-	-	326,391	146,285
2015-2019	33,508,629	12,279,579	-	-	1,830,647	532,729
2020-2024	23,492,673	5,600,667	-	-	1,813,986	156,144
2025-2029	10,552,474	1,164,919	-	-	-	-
2030-2034	705,425	71,120	-	-	-	-
2035-2039	-	-	-	-	-	-
2040-2041	-	-	-	-	-	-
Total	<u>\$ 112,010,570</u>	<u>\$ 40,379,593</u>	<u>\$ 30,412</u>	<u>\$ 1,672</u>	<u>\$ 5,840,147</u>	<u>\$ 1,569,388</u>



Long-Term Liabilities (Continued)

Debt Service to Maturity: (Continued)

Year Ending June 30	Business-Type Activities							
	General Obligation						Revenue Bonds	
	Water Fund		Airport Fund		Sewer Fund		Sewer Fund	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 1,703,875	\$ 1,191,916	\$ 254,716	\$ 77,609	\$ 2,103,851	\$ 1,138,875	\$ 3,520,797	\$ 372,550
2011	1,668,318	1,123,470	255,141	67,243	2,103,588	1,061,191	3,757,168	342,012
2012	1,417,069	1,062,769	190,327	58,141	1,757,860	991,126	4,627,820	310,527
2013	1,426,700	1,003,211	196,083	50,305	1,759,308	924,138	4,660,283	278,064
2014	1,309,038	943,059	180,758	43,210	1,557,397	856,864	4,693,753	244,593
2015-2019	5,642,045	3,858,003	538,447	123,652	6,440,604	3,377,843	24,008,356	683,378
2020-2024	3,597,946	2,792,754	198,387	50,578	4,058,597	2,312,106	18,023,170	26,118
2025-2029	3,886,612	1,940,073	92,805	6,663	3,816,003	1,510,710	15,168,628	-
2030-2034	3,857,352	986,409	-	-	3,072,838	664,877	10,903,739	-
2035-2039	2,322,530	214,785	-	-	1,422,468	131,603	9,079,920	-
2040-2041	-	-	-	-	-	-	1,884,166	-
Total	\$ 26,831,485	\$ 15,116,449	\$ 1,906,664	\$ 477,401	\$ 28,092,514	\$ 12,969,333	\$ 100,327,800	\$ 2,257,242

Notes Payable – Capital Projects Line of Credit, Bank (General Obligation Bond Anticipation Note):

On March 27, 2008, the City issued a five-year General Obligation Bond Anticipation Note and concurrently entered into a line of credit Financing Agreement with SunTrust Bank. The Agreement provided for borrowings of up to \$15,000,000 to provide interim financing for qualifying capital improvements. Interest on the unpaid principal is equal to the tax-exempt note rate defined in the Agreement and summarized here as: the one month London Interbank Offered Rate (LIBOR) times 0.77, plus 0.37%, for each calendar month; and, computed on a 360-day year basis up to a maximum of 6%. All outstanding amounts are due on March 27, 2013. There was \$10,156,611 of principal activity during FY 2009 of which \$6,156,611 was for Schools capital projects and \$4,000,000 was for Water capital projects. Along with the previous fiscal year outstanding amount of \$1,343,389 for School capital projects, this resulted in a total of \$11,500,000 outstanding at June 30, 2009.

August 13, 2009 General Obligation Bond Issue:

The City issued \$57,450,000 of General Obligation Public Improvement Bonds Series 2009A (\$17,230,000 Tax-Exempt), Series 2009B (\$27,420,000 Taxable-Build America Bonds), and Series 2009C (\$12,800,000 Tax-Exempt-Refunding Bonds) dated August 13, 2009 from its negotiated bond sale on July 29, 2009. The Series A and B Bonds were issued to fund general government, schools, water and sewer capital projects, and issuance costs. They were allocated as follows: \$8,315,000 for general government; \$17,610,000 for schools, including a current refunding on August 27, 2009, to permanently finance \$7,500,000 of interim financing through the line of credit; \$15,300,000 for water utilities, including a current refunding on August 27, 2009, to permanently finance \$4,000,000 of interim financing through the line of credit; and, \$3,425,000 for sewer utilities. Series C Refunding Bonds were issued to advance refund \$7,355,000 of the June 1, 1999 bonds and \$4,965,000 of the August 1, 2001 bonds. General government projects were financed for twenty years, while the schools, water and sewer projects were financed for thirty years. The final maturity date is August 1, 2039, with interest rates ranging from 0.57% to 6.61% and a total interest cost of 3.68%.

Material Event Notice Filings:

The August 2, 2007 General Obligation Public Improvement Bond Issue has maturities on August 1 in years 2018 through 2027, and on August 1, 2032 and August 1, 2037, all of which are insured under a financial guaranty insurance policy issued by MBIA Insurance Corporation and purchased by the underwriter. During FY 2009, the City filed three notices of material events through DisclosureUSA in compliance with continuing disclosure requirements to the Municipal Securities Rulemaking Board and the Nationally Recognized Municipal Securities Information Repositories (NRMSIRS). All three notices were related to MBIA’s ratings and correspondingly the rating of obligations insured by MBIA, including the Insured Bonds, to the extent based on the financial guaranty insurance policies issued by MBIA. The first notice filed on July 16, 2008, reported that the City had been advised of the withdrawal by Fitch Ratings and the downgrades by Moody’s Investors Service from “AAA” to “A2” and Standard & Poor’s Ratings Services from “AAA” to “AA”. The second notice filed on February 4, 2009, reported that the City had been advised of the withdrawal by Fitch Ratings and the downgrades by Moody’s Investors Service from



Long-Term Liabilities (Continued)

“Aaa” to “Baa1” and by Standard & Poor’s Ratings Services from “AAA” to “AA”. The third notice filed on June 9, 2009, reported that the City had been advised of the withdrawal by Fitch Ratings and the downgrades by Moody’s Investors Service from “Aaa” to “B3” with a developing outlook and by Standard & Poor’s Ratings Services from “AAA” to “BBB+” with a negative outlook.

Virginia Public School Authority Pooled Bond Issue-Qualified School Construction Bonds:

On November 13, 2009, the City participated in a Virginia Public School Authority Taxable General Obligation Public Improvement Bond Issue. These were Qualified School Construction Bonds as part of the American Recovery and Reinvestment Act and issued as investor tax credit bonds with a 0% coupon. The City’s portion of the pooled bond issue was \$10,255,000 with a final maturity on September 15, 2026. This partially financed new construction for Sandusky Middle School and removed this project from the State’s Literary Loan Program.

Component Unit – Lynchburg City Schools:

The following is a summary of changes in other long-term liabilities:

	Beginning Balance	Additions	Deletions	Ending Balance	Current Portion
Compensated absences	\$ 609,472	\$ 833,033	\$ 712,774	\$ 729,731	\$ 299,190
Capital lease obligations	2,366,348	1,000,000	947,970	2,418,378	920,923
Other postemployment benefits	522,228	429,859	-	952,087	-
	<u>\$ 3,498,048</u>	<u>\$ 2,262,892</u>	<u>\$ 1,660,744</u>	<u>\$ 4,100,196</u>	<u>\$ 1,220,113</u>

School Capital Leases:

Interest Rates	Date Issued	Final Maturity	Original Issue	Balance
3.55%	12/2008	12/2013	\$ 1,000,000	\$ 907,071
3.08	02/2005	02/2010	1,000,000	142,379
3.39	09/2005	09/2010	750,000	186,398
2.99	09/2004	09/2009	500,000	27,752
4.12	08/2006	08/2011	500,000	229,259
3.83	10/2006	10/2011	500,000	253,660
3.89	09/2007	09/2012	1,000,000	671,859
				<u>\$ 2,418,378</u>

Following is a summary of debt service to maturity:

Year Ending June 30	Capital Lease Obligations	
	Principal	Interest
2010	\$ 920,923	\$ 72,860
2011	642,489	44,357
2012	480,697	22,428
2013	265,237	8,262
2014	109,032	1,122
Total	<u>\$ 2,418,378</u>	<u>\$ 149,029</u>



Ratios of Outstanding Debt by Type
(dollars in thousands, except for per capita amounts)

Fiscal Year	Governmental Activities					Business-type Activities				Total Primary Government
	General Obligation Bonds	Literary Bonds	General Obligation Notes	Note Payable	Capital Leases	General Obligation Bonds	General Obligation Notes	Public Utility Revenue Bonds	Capital Leases	
2000	\$ 39,866	\$ 400	\$ 3,345	\$ -	\$ 2,783	\$ 54,707	\$ -	\$ 56,266	\$ 77	\$ 157,444
2001	42,519	341	3,345	-	2,595	55,521	-	57,500	-	161,821
2002	71,901	283	9,290	-	2,397	63,499	-	56,096	-	203,466
2003	85,006	225	610	-	2,187	64,141	-	52,973	-	205,142
2004	100,251	166	7,500	3,200	8,396	66,896	-	59,152	-	245,561
2005	93,990	127	7,500	3,200	7,747	61,935	-	63,526	-	238,025
2006	116,709	87	-	3,200	7,287	57,532	16,500	70,543	-	271,858
2007	108,593	68	-	3,020	6,810	52,295	16,500	74,985	-	262,271
2008	117,407	49	1,343	2,840	6,316	63,550	-	84,426	-	275,931
2009	112,011	30	7,500	2,660	5,804	56,831	4,000	100,328	-	289,164

Ratios of Net General Bonded Debt Outstanding
(dollars in thousands, except per capita)

Fiscal Year	Population ¹	Assessed Valuation (in thousands)	Gross Bonded Debt ²	Debt Payable From Enterprise Revenues ²	Net Bonded Debt	Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
2000	\$ 65,269	\$ 3,166,143	\$ 126,725	\$ 54,707	\$ 72,018	2.27%	\$ 1,103
2001	65,400	3,250,445	134,592	55,521	79,071	2.43%	1,209
2002	65,800	3,466,111	144,973	63,499	81,474	2.35%	1,238
2003	66,400	3,604,279	149,981	64,140	85,841	2.38%	1,293
2004	67,100	3,915,725	174,813	66,896	107,917	2.76%	1,608
2005	67,756	3,954,923	163,552	61,935	101,617	2.57%	1,500
2006	68,579	4,357,188	190,828	74,032	116,796	2.68%	1,703
2007	70,056	4,501,102	177,456	68,795	108,661	2.41%	1,551
2008	70,734	5,330,939 ³	182,350	63,550	118,800	2.23%	1,680
2009	70,734	5,382,586 ⁴	180,372	60,831	119,541	2.22%	1,690

Source: Director of Financial Services, City of Lynchburg, Virginia.

¹ Data from the Weldon Cooper Center for Public Service, University of Virginia, Charlottesville, Virginia, for 2001-2007 Final Estimates, and 2008 Provisional Estimates; and United States Bureau of the Census 2000. The 2009 population is an estimate based on 2008.

² Excludes City of Lynchburg Public Utility Revenue Bonds.

³ These figures have been updated to reflect all billings associated with the personal property tax levy.

⁴ These figures only reflect two of the four billings associated with the personal property tax levy. These figures will be updated in FY 2010 to reflect all four billings.

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.



Legal Debt Margin Information
(dollars in thousands)

LEGAL DEBT MARGIN INFORMATION,
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2009

Real Property Assessed Value	\$ 4,622,237
Public Service Corporations Real Property Assessed Value	160,599
Total Real Property Assessed Value (1)	<u>4,782,836</u>
Debt limit (10% of assessed value)	478,284
Debt applicable to limit:	
Less: General Obligation Debt	(180,372)
Legal Debt Margin	<u><u>\$ 297,912</u></u>

<u>Description</u>	Fiscal Years				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 259,682	\$ 264,398	\$ 290,687	\$ 301,016	\$ 330,240
Total net debt applicable to limit (2)	<u>126,725</u>	<u>134,592</u>	<u>144,973</u>	<u>149,981</u>	<u>174,813</u>
Legal debt margin	<u>\$ 132,957</u>	<u>\$ 129,806</u>	<u>\$ 145,713</u>	<u>\$ 151,036</u>	<u>\$ 155,427</u>
Total net debt applicable to the limit as a percentage of the debt limit	48.80%	50.91%	49.87%	49.82%	52.94%
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 338,155	\$ 372,512	\$ 383,509	\$ 462,181	\$ 478,284
Total net debt applicable to limit (2)	<u>163,552</u>	<u>190,828</u>	<u>177,456</u>	<u>182,350</u>	<u>180,372</u>
Legal debt margin	<u>\$ 174,603</u>	<u>\$ 181,684</u>	<u>\$ 206,053</u>	<u>\$ 279,831</u>	<u>\$ 297,912</u>
Total net debt applicable to the limit as a percentage of the debt limit	48.37%	51.23%	46.27%	39.45%	37.71%

(1) See Table 14 for Real Property Assessed Value information.

(2) For fiscal years 2000 through 2005, the total net debt applicable to limit amounts were revised to include bond anticipation notes.

Note: The Constitution of Virginia, Article 7, Section 10(a) sets forth the City's legal debt limit at ten percent (10%) of its assessed valuation of real estate subject to taxation for the City's issuance of any bonds or other interest-bearing obligations. In August 1999, City Council adopted a Debt Management Policy that limits tax-supported debt to five percent (5%) of its assessed valuation of real estate subject to taxation. In December 2006, City Council amended the Debt Management Policy that limits tax-supported debt to four and a half percent (4.5%) of its assessed valuation of real estate subject to taxation.



Debt Service

General Fund 1001-7450	2011 Debt	2011 ⁽²⁾	2011 ⁽³⁾	Less:	2011
	Per 6/30/09 Debt Book Revised ⁽¹⁾ for FY 2010 Bond Issues			Bond Issue	
Principal	\$5,323,650			\$0	\$5,323,650
Interest	2,731,073				2,731,073
Interest Line of Credit	0		\$0		0
Regional Radio Lease Principal	258,719				258,719
Regional Radio Lease Interest	10,882				10,882
Human Service Lease Principal	291,381				291,381
Human Service Lease Interest	181,294				181,294
Debt Service Charges	3,145				3,145
Total	\$8,800,144	\$0	\$0	\$0	\$8,800,144

Detention Home Fund 2022-7450	2011 Debt	2011 ⁽²⁾	2011 ⁽³⁾	Less:	2011
	Per 6/30/09 Debt Book Revised ⁽¹⁾ Debt Book			Bond Issue	
Principal	\$234,424	\$0	\$0	\$0	\$234,424
Interest	59,084				59,084
Debt Service Charges	0				0
Total	\$293,508	\$0	\$0	\$0	\$293,508

Airport Fund 4030-7450	2011 Debt	2011 ⁽²⁾	2011 ⁽³⁾	Less:	2011
	Per 6/30/09 Debt Book Revised ⁽¹⁾ Debt Book			Bond Issue	
Principal	\$249,705	\$0	\$0	\$0	\$249,705
Interest	62,389				62,389
Debt Service Charges	3,618				3,618
Total	\$315,712	\$0	\$0	\$0	\$315,712

Water Fund 4015-7450	2011 Debt	2011 ⁽²⁾	2011 ⁽³⁾	Less:	2011
	Per 6/30/09 Debt Book Revised ⁽¹⁾ Debt Book			Bond Issue	
Principal	\$1,719,935			\$0	\$1,719,935
Interest	1,935,650				1,935,650
Interest Line of Credit	0		\$0		0
Debt Service Charges	7,000				7,000
Total	\$3,662,585	\$0	\$0	\$0	\$3,662,585

Sewer Fund 4020-7450	2011 Debt	2011 ⁽²⁾	2011 ⁽³⁾	Less:	2011
	Per 6/30/09 Debt Book Revised ⁽¹⁾ Debt Book			Bond Issue	
G.O. Principal	\$2,259,476		\$0	\$0	\$2,259,476
G.O. Interest	1,162,853				1,162,853
Rev. Principal	3,757,168				3,757,168
Rev. Interest	342,012				342,012
Debt Service Charges	29,181				29,181
Total	\$7,550,690	\$0	\$0	\$0	\$7,550,690



Debt Service (continued)

	2011 Debt Per 6/30/09 Debt Book Revised ⁽¹⁾	2011 ⁽²⁾	2011 ⁽³⁾	Less: Savings from ⁽⁴⁾	2011
Stadium Fund	Debt Book	Bond Issue	Line of Credit	Refunding	Budget
2026-7450					
Principal	\$103,078	\$0	\$0	\$0	\$103,078
Interest	106,674				106,674
Total	\$209,752	\$0	\$0	\$0	\$209,752

	2011 Debt Per 6/30/09 Debt Book Revised ⁽¹⁾	2011 ⁽²⁾	2011 ⁽³⁾	Less: Savings from ⁽⁴⁾	2011
Fleet Services Fund	Debt Book	Bond Issue	Line of Credit	Refunding	Budget
5003-7450					
Principal	\$252,058	\$0	\$0	\$0	\$252,058
Interest	154,481				154,481
Debt Service Charges	(2,361)				(2,361)
Total	\$404,178	\$0	\$0	\$0	\$404,178

(1) Information for FY 2011 existing debt service (cash basis) per the City's Debt Book as of 6/30/09 and revised for actual bond issues in FY 2010. The Build America Bonds have a provision for an interest subsidy payment from the Internal Revenue Service. That source of funds from the IRS of 35% of the interest payment for these bonds is not included above and therefore, has not reduced the total interest payment due. All amounts above are total payments without reduction from the IRS subsidy for the Build America Bonds. The subsidy for FY 2011 interest payments are \$591,230.70 across all funds in the 8.13.09 bond issue.

(2) As of January 8, 2010, the CIP process is underway and not complete. There are no new borrowings being considered at this time for FY 2011; therefore, no there is no new additional debt service in FY 2011 from a bond issue in that fiscal year included above.

(3) The Line of Credit was originally authorized for \$4 million for Water and Sewer projects and \$7.5 million for School projects. There was \$3.5 million for General Government projects. With the August 13, 2009 bond issue, the \$4 million and the \$7.5 million used on the Line of Credit was paid off and permanently financed. At this time, the previous allocation of \$4 million is anticipated to be used going forward for Water/Sewer capital projects with interest expense yet to be estimated. An amount for Schools projects and General Government projects will need to be determined through the CIP process in order to re-authorize the Line of Credit back to the total of \$15 million. Once this is decided, a resolution can be taken to City Council to re-authorize the Line of Credit for project categories for future capital projects. Once the CIP process is complete for Schools and General Government projects, an amount for interest expense for the Line of Credit can be estimated. The Line of Credit will expire in

(4) No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



Debt Service (continued)

FY 2011 City's General Fund Appropriation for Schools Debt Service

	2011 Debt Per 6/30/09 Debt Book Revised for FY 2010 Bond Issues ⁽¹⁾	2011 ⁽²⁾ Bond Issue	2011 ⁽³⁾ Line of Credit	2011 VPSA Bond Issue	Less: Savings from ⁽⁴⁾ Refunding	2011 Budget
1001-7450						
Principal	\$4,481,348	\$0		\$0	\$0	\$4,481,348
Interest	2,738,006					2,738,006
Interest-Line of Credit			0			0
Total School Debt Service	\$7,219,354	\$0	\$0	\$0	\$0	\$7,219,354
Plus:						
Debt Service Charges	3,000					3,000
Local City Share for School Debt Service	\$7,222,354	\$0	\$0	\$0	\$0	\$7,222,354

(1) Information for FY 2011 existing debt service (cash basis) per the City's Debt Book as of 6/30/09 and revised for actual bond issues in FY 2010. The Build America Bonds have a provision for an interest subsidy payment from the Internal Revenue Service. That source of funds from the IRS of 35% of the interest payment for these bonds is not included above and therefore, has not reduced the total interest payment due. All amounts above are total payments without reduction from the IRS subsidy for the Build America Bonds. The subsidy for FY 2011 interest payments are \$591,230.70 across all funds in the 8.13.09 bond issue.

(2) As of January 8, 2010, the CIP process is underway and not complete. There are no new borrowings being considered at this time for FY 2011; therefore, no new additional debt service in FY 2011 from a bond issue in that fiscal year is included above.

(3) The Line of Credit was originally authorized for \$4 million for Water and Sewer projects and \$7.5 million for School projects. There was \$3.5 million for General Government projects. With the August 13, 2009 bond issue, the \$4 million and the \$7.5 million used on the Line of Credit was paid off and permanently financed. At this time, the previous allocation of \$4 million is anticipated to be used going forward for Water/Sewer capital projects with interest expense yet to be estimated. An amount for Schools projects and General Government projects will need to be determined through the CIP process in order to re-authorize the Line of Credit back to the total of \$15 million. Once this is decided, a resolution can be taken to City Council to re-authorize the Line of Credit for project categories for future capital projects. Once the CIP process is complete for Schools and General Government projects, an amount for interest expense for the Line of Credit can be estimated. The Line of Credit will expire in March 2013.

(4) No refunding is anticipated at this time and monitoring for refunding opportunities is an ongoing process.



HISTORICAL FACT:

Built around 1815 by Dr. George Cabell, Sr., an eminent physician whose most famous patient was Patrick Henry, Point of Honor was the home of important Lynchburg area families, including the Daniels, Paynes, and Owens. Although not documented, it is possible that at some time Point of Honor may have been used as a dueling ground. However, since dueling was prohibited, it is speculated it occurred on the property in Campbell County to escape the Lynchburg magistrate.





Schools Operating Fund. The General Fund makes yearly contributions to the Lynchburg City Schools for Operations.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
AGENCY SUMMARY					
REVENUES					
State	\$51,300,651	\$47,749,219			\$41,806,920
Federal	2,799,595	5,265,748			2,627,383
Grants	6,893,263	6,015,062			7,813,258
Local - Operating	32,150,370	32,442,103	31,942,103	32,442,103	31,942,103
Regional - Debt Service for the Governor's School	32,758	33,627			33,627
Miscellaneous	1,486,230	1,485,870			1,321,140
TOTAL REVENUES	\$94,662,867	\$92,991,629	\$31,942,103	\$32,442,103	\$85,544,431
EXPENDITURES					
Operations	\$88,640,815	\$86,976,567			\$77,731,173
Grant Funded Expenditures	7,018,257	6,015,062			7,813,258
TOTAL EXPENDITURES	\$95,659,072	\$92,991,629	\$0	\$0	\$85,544,431

¹ Source: Lynchburg City Schools

Note: The school board had not adopted a budget at the time the Manager's Proposed document was published.



Schools (continued)

Student Enrollment, Employees and Schools by Fiscal Year

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Elementary School Membership	4,366	4,230	4,049	3,968	3,910	3,840	3,793	3,877	3,916	3,934
Secondary School Membership	4,930	4,982	5,015	4,987	4,872	4,785	4,809	4,745	4,447	4,438
Total Membership	9,296	9,212	9,064	8,955	8,782	8,625	8,602	8,622	8,363	8,372
Teachers and Administrators (1)	798	811	807	782	762	753	776	772	774	780
Other Employees	490	475	494	474	467	471	470	482	482	482
Total Employees	1,288	1,286	1,301	1,256	1,229	1,224	1,246	1,254	1,256	1,262
Elementary Schools (2)	12	12	12	11	11	11	11	11	11	11
Secondary Schools	5	5	5	5	5	5	5	5	5	5
Total Buildings	17	17	17	16	16	16	16	16	16	16

(1) Includes only full-time equivalent positions funded through the operating budget.

(2) Does not include Armstrong, now being used for special education students.

Actual Average Daily Student Enrollment by Grade & Fiscal Year
(Based on September 30th Actual Enrollment)

Grade	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
K	769	669	655	674	700	666	670	722	732	718
1	696	755	661	628	651	628	655	675	673	702
2	764	685	716	664	608	647	634	629	648	648
3	702	719	649	689	641	583	628	629	653	632
4	729	693	695	633	690	630	593	625	606	639
5	706	709	673	680	620	686	613	597	604	595
6	746	713	729	686	689	658	707	618	613	598
7	704	719	707	697	661	680	664	694	581	619
8	740	705	730	737	697	660	687	662	625	581
9	895	825	869	904	856	857	823	867	777	706
10	665	790	757	730	740	772	726	661	647	719
11	579	627	666	676	656	627	669	621	654	619
12	601	603	557	557	573	531	533	622	550	596
Total	9,296	9,212	9,064	8,955	8,782	8,625	8,602	8,622	8,363	8,372

Source: Superintendent of Schools, City of Lynchburg, Virginia.



Greater Lynchburg Transit Company. Greater Lynchburg Transit Company (GLTC) is the region’s public transportation provider. GLTC’s mission is to provide safe, dependable, affordable and high quality public transportation to the citizens of Lynchburg. GLTC provides fixed route (bus) and paratransit (demand-response bus) to the citizens of Lynchburg. GLTC is owned by the City of Lynchburg, and its employees are contract employees to the City. Management services are provided by First Transit. The Board of Directors, approved by City Council, set company policies.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
AGENCY SUMMARY					
REVENUES					
Fares - Fixed Route	\$774,499	\$828,000	\$852,000	\$852,000	\$852,000
Fare - Para-transit Service	52,021	41,875	42,000	42,000	42,000
Contracts (LU Access)	138,281	198,591	183,793	183,793	183,793
Charters	7,672	0	0	0	0
Advertising	70,594	65,524	66,000	66,000	66,000
Other	19,295	25,000	25,000	25,000	25,000
Federal Operating	1,708,496	1,759,751	1,823,492	1,823,492	1,823,492
State Operating	1,264,302	1,107,509	922,615	922,615	922,615
State Intern	19,101	0	0	0	0
City Operating	882,030	1,128,884	1,015,999	1,128,884	1,128,884
Amherst County	53,806	80,242	45,166	45,166	45,166
Partners: Academy/Downtown	0	2,475	2,475	2,475	2,475
State Training	3,703	5,000	5,000	5,000	5,000
Partners: Lynchburg Sheltered Industries	4,800	4,800	4,800	4,800	4,800
Partners: Liberty	1,363,536	1,950,708	1,426,299	1,426,299	1,426,299
TOTAL REVENUES	\$6,362,136	\$7,198,359	\$6,414,639	\$6,527,524	\$6,527,524
EXPENDITURES					
Labor	\$2,713,295	\$3,275,351	\$2,888,568	\$2,894,848	\$2,894,848
Fringe	1,270,400	1,522,284	1,452,586	1,452,586	1,452,586
Services	395,419	367,961	403,257	403,257	403,257
Materials & Supplies	1,455,414	1,608,754	1,243,541	1,350,146	1,350,146
Utilities	84,298	82,500	82,500	82,500	82,500
Insurance	289,499	254,457	251,107	251,107	251,107
Miscellaneous/Contingency	129,723	87,052	93,080	93,080	93,080
TOTAL EXPENDITURES	\$6,338,049	\$7,198,359	\$6,414,639	\$6,527,524	\$6,527,524
BALANCE	\$24,087	\$0	\$0	\$0	\$0

Note: The City contribution for FY 2009 was \$1,128,884, however, \$246,854 was allocated to prior year expenditures.



Lynchburg Business Development Centre Fund. This fund accounts for grant monies from the Economic Development Authority (EDA) which is a division of the Federal Department of Commerce. The funds are awarded to the City of Lynchburg and passed on to the Business Development Centre as a subgrantee. Its purpose is to account for the revolving loan activity of the Business Development Centre and serves the Region 2000 area by providing “gap” financing to businesses for projects that otherwise would not be eligible for full financing through traditional lenders. This program is similar in structure to the Small Business Administration (SBA) 504 Program which creates and/or retains jobs. For each \$10,000 the Business Development Centre lends, the recipient must demonstrate the creation/retention of one job over a three year period. The Centre has made 26 loans since its inception in 1993. The Region 2000 area includes the cities of Lynchburg and Bedford, the towns of Altavista and Amherst, and the counties of Amherst, Appomattox, Bedford and Campbell.

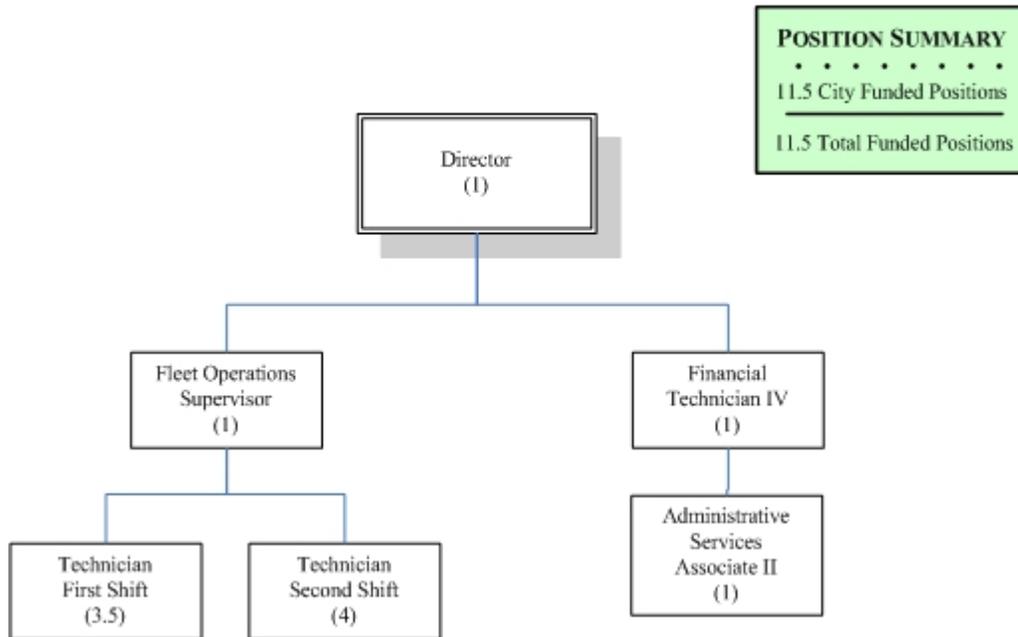
	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
LYNCHBURG BUSINESS DEVELOPMENT CENTRE FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$125,385	\$125,385	\$125,385	\$125,385	\$125,385
REVENUES					
Revenues from loan repayments (principal & interest)	\$29,636	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$29,636	\$0	\$0	\$0	\$0
EXPENDITURES	\$29,636	\$0	\$0	\$0	
TOTAL EXPENDITURES	\$29,636	\$0	\$0	\$0	\$0
ENDING DESIGNATED FUND BALANCE	\$125,385	\$125,385	\$125,385	\$125,385	\$125,385

Lynchburg Business Development Centre Fund Budget Description

No funds are requested for FY 2011.



FLEET SERVICES





Fleet Services. Provides a full spectrum of fleet management services for all city customers who operate a city-owned vehicle or piece of equipment. The services include fleet asset acquisition and replacement planning, fuel management, automotive parts inventory services, routine and preventive maintenance for vehicles and equipment, recordkeeping, and assisting the city Procurement Department in the disposal of all fleet assets.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FLEET FUND POSITION SUMMARY					
City Funded Full-Time	12.00	12.00	11.00	11.00	11.00
City Funded Part-Time	0.00	0.00	0.50	0.50	0.50
City Funded Temporary	0.50	0.50	0.00	0.00	0.00
TOTAL FTE	12.50	12.50	11.50	11.50	11.50
FLEET FUND SUMMARY					
BEGINNING NET ASSETS	\$11,513,328				
Less: Invested in Capital Assets, net of related debt	(10,047,677)				
BEGINNING UNRESTRICTED NET ASSETS	\$1,465,651	\$5,372	\$754,005	\$754,005	\$754,005
REVENUES					
Warehouse Inventory	\$528,697	\$472,723	\$471,400	\$471,400	\$471,400
Fuel Sales	1,220,701	1,703,643	1,538,200	1,538,200	1,538,200
Mechanical Work by Vendors	191,821	250,891	236,700	236,700	236,700
Vehicle Administration	227,522	224,175	218,400	218,400	218,400
Labor Sales	491,240	509,709	482,100	482,100	482,100
Vehicle Capital Charge	1,766,390	2,139,896	2,256,656	2,264,469	2,264,469
Bond Proceeds	0	0	475,000	0	0
Interest on Investments	59,872	0	0	0	0
Miscellaneous	180,836	0	0	0	0
Sale/Salvage Surplus Property	1,274,388	150,000	150,000	150,000	150,000
Transfer from General Fund	764,238	0	0	0	0
Transfer from Solid Waste Management Fund	400,615	0	0	0	0
TOTAL REVENUES	\$7,106,320	\$5,451,037	\$5,828,456	\$5,361,269	\$5,361,269
EXPENDITURES					
Salaries	\$480,328	\$506,772	\$477,200	\$477,200	\$477,200
Employee Benefits	186,268	199,517	196,300	196,300	196,300
Contractual Services	72,267	82,047	81,600	81,600	81,600
Internal Service Charges	3,766	0	0	0	0
Other Charges	1,876,214	2,366,805	2,186,700	2,186,700	2,186,700
Capital Outlay	4,418,140	328,000	2,199,600	2,449,600	2,449,600
Nondepartmental Employee Benefits	23,001	2,675	24,820	24,820	24,820
Other Post Employment Benefits	9,488	12,267	9,488	9,488	9,488
Debt Service	414,173	411,101	404,178	404,178	404,178
Transfer to City Capital Projects	0	1,330,876	0	0	0
Reserve for Future Vehicle Replacement Needs	0	59,504	132,879	133,000	133,000
TOTAL EXPENDITURES AND TRANSFERS	\$7,483,645	\$5,299,564	\$5,712,765	\$5,962,886	\$5,962,886
ENDING UNRESTRICTED NET ASSETS	\$1,088,326	\$156,845	\$869,696	\$152,388	\$152,388

Note: Ending Unrestricted Net Assets for FY 2009 does not agree to Beginning Unrestricted Net Assets for FY 2010 as Amended due to the difference in reporting capital outlay, debt service, and certain revenue items in the CAFR and the Budget.



Fleet Services Budget Description

The Manager's Proposed FY 2011 Fleet Services budget of \$5,962,886 represents a 12.5% increase of \$663,322 as compared to the Adopted FY 2010 budget of \$5,299,564.

Significant changes compared to the Adopted FY 2010 budget include:

- \$32,789 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time position (the work will be outsourced to a private vendor) and a reduction in overtime hours, offset by a higher Virginia Retirement System rate.
- \$163,100 decrease in Other Charges reflecting a \$0.31 per gallon reduction in the average price of fuel.
- \$2,121,600 increase in Capital Outlay to provide for vehicle replacements.

The Proposed FY 2011 Fleet Services budget was adopted by City Council without changes.



Fleet Services Performance Measures

Goal 1:				
Enable the efficient delivery of city services by providing expedient repairs to vehicles making them available for duty each day.				
Objective:				
Maintain a 97% fleet availability rate.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Fleet availability rate	98.2%	97.0%	97.9%	97.0%
Analysis of the Data:				
The FY 2010 budget did not include any vehicle replacements due to financial constraints. As a result, it is expected the availability percentage will drop 1% since more vehicles will require maintenance while the number of repair staff will remain constant.				

Goal 2:				
To repair police fleet vehicles at a competitive and minimal cost.				
Objective:				
Repair light duty police vehicles at a cost of \$0.165 cents or less per mile driven.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Cost per mile driven	\$0.150	\$0.160	\$0.165	\$0.160
Analysis of the Data:				
It is expected that the aging police fleet, due to limited vehicle replacement, will drive the FY 2010 figure to \$0.160. Winter weather in December 2009 brought out some out-of-normal repairs.				

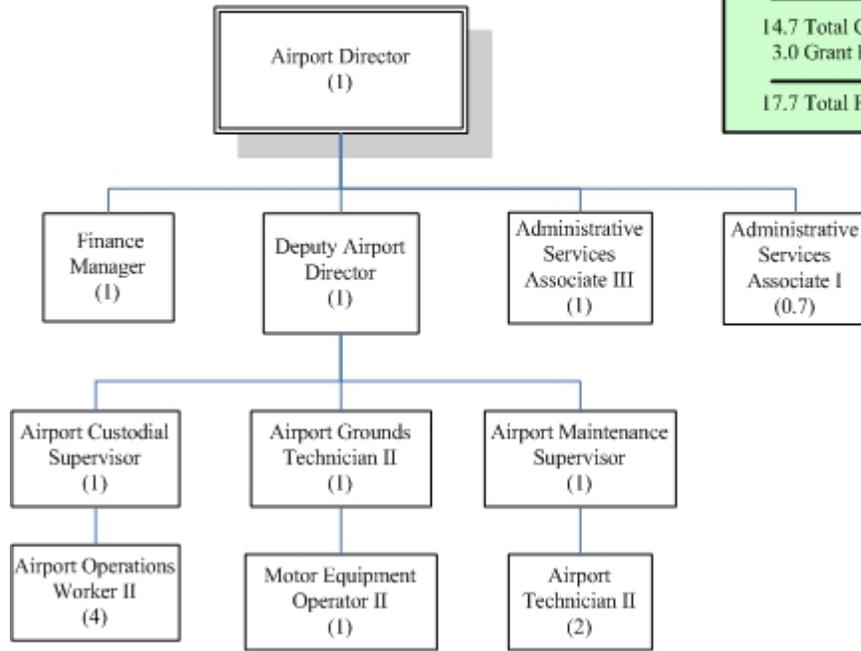
Goal 3:				
To provide excellent customer service.				
Objective:				
Maintain a Good/Excellent customer satisfaction rating (95% or greater).				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Customer satisfaction rating	95%	95%	95%	95%
Analysis of the Data:				
Although an older fleet requires more maintenance and may increase service response time, the Department expects to maintain its customer satisfaction rate.				

Benchmark Localities:
Fairfax County, Roanoke, and Charlottesville, VA; Longmont, CO; Durham, NC



LYNCHBURG REGIONAL AIRPORT

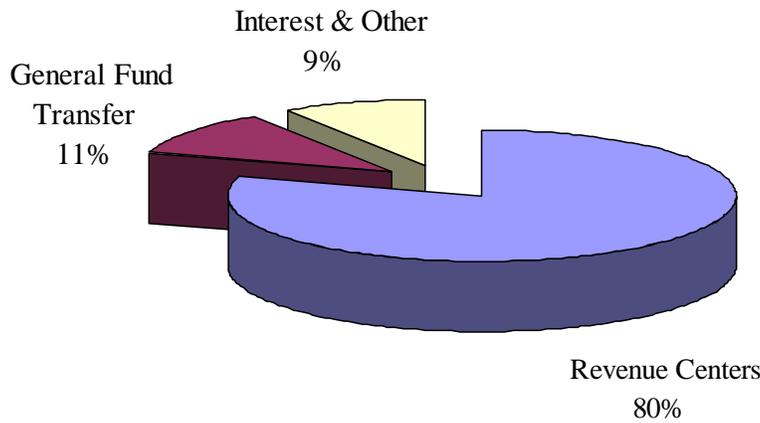
POSITION SUMMARY
• • • • •
14.0 City Funded Positions
0.7 Wage Positions
<hr/>
14.7 Total City Funded Positions
3.0 Grant Funded Wage Positions
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17.7 Total Funded Positions



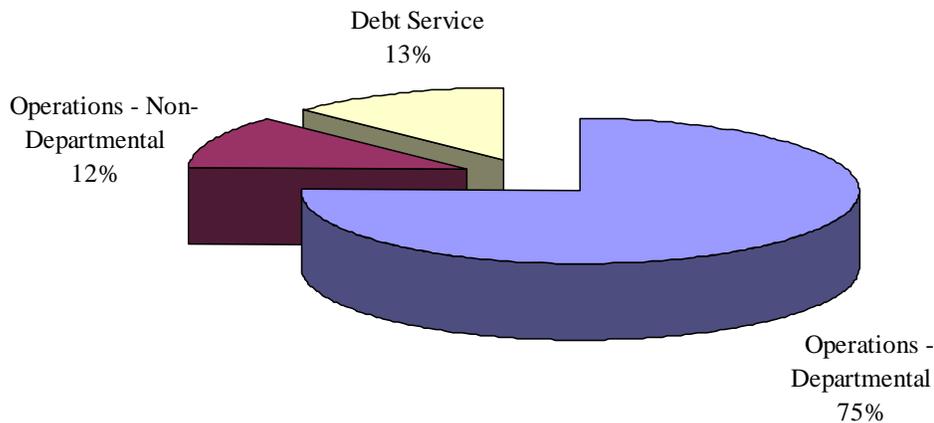


Lynchburg Regional Airport. Lynchburg Regional Airport is the main commercial service airport serving Lynchburg and the surrounding four-county region. It is served by the regional affiliates of two airlines, Delta Airlines and US Airways, and serves over 100,000 arriving and departing passengers a year. The airport is home base to approximately 85 private and business aircraft. The Federal Aviation Administration (FAA) owns and operates the air traffic control facility at the airport. Airport Administration manages the operations, safety, security, and capital improvements required by the FAA; maintains the airport complex; responds to crash, fire, medical, and other emergencies; promotes the airport; and administers contracts and leases with airlines, concessions, and tenants. Airport Fund revenues are from fees, leases, or rents paid by airlines, the fixed-based operators that service private and business aircraft, and other concessionaires and tenants.

FY 2011 REVENUES
\$2,455,604



FY 2011 EXPENSES
\$2,455,604



**Airport Fund**

Mission Statement: To offer a full range of high quality aviation and air transportation services to the citizens of Central Virginia while fulfilling its role as a key ingredient in the region's economic development.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
AIRPORT FUND POSITION SUMMARY					
City Funded Full-Time	15.0	14.0	14.0	14.0	14.0
City Funded Part-Time	0.0	0.0	0.7	0.7	0.7
City Funded Temporary	1.7	0.7	0.0	0.0	0.0
Grant Funded Full-Time	3.0	3.0	3.0	3.0	3.0
TOTAL FTE	19.7	17.7	17.7	17.7	17.7
AIRPORT FUND SUMMARY					
BEGINNING NET ASSETS	\$34,398,124				
Less: Invested in Capital Assets, net of related debt	(34,042,857)				
BEGINNING UNRESTRICTED NET ASSETS	\$355,267	\$100,000	\$100,000	\$100,000	\$100,000
REVENUES					
Airfield	\$101,290	\$102,500	\$108,000	\$108,000	\$108,000
Terminal	1,274,381	1,182,486	1,263,669	1,263,669	1,263,669
General Aviation	373,050	373,800	379,800	379,800	379,800
Other Leased Property	206,317	205,100	208,600	208,600	208,600
State Airport Aid	68,328	85,000	85,000	85,000	85,000
Federal Security Aid	113,948	118,415	118,415	118,415	118,415
Transfer from General Fund	295,850	286,401	271,120	271,120	271,120
Interest and Other	36,760	25,000	21,000	21,000	21,000
TOTAL REVENUES	\$2,469,924	\$2,378,702	\$2,455,604	\$2,455,604	\$2,455,604
EXPENDITURES					
Airfield Operations	\$265,556	\$260,411	\$266,759	\$266,759	\$266,759
Terminal Operations	547,190	497,606	535,493	535,493	535,493
General Aviation	54,044	55,697	59,161	59,161	59,161
Administration	633,709	645,174	655,165	655,165	655,165
Airport Public Safety	358,955	373,668	379,168	379,168	379,168
Other Operations	54,069	55,200	61,200	61,200	61,200
Snow Removal	5,912	20,106	20,106	20,106	20,106
Debt Service	319,075	335,126	315,712	315,712	315,712
Miscellaneous and Transfers	138,303	135,714	162,840	162,840	162,840
TOTAL EXPENDITURES	\$2,376,813	\$2,378,702	\$2,455,604	\$2,455,604	\$2,455,604
ENDING UNRESTRICTED NET ASSETS	\$448,378	\$100,000	\$100,000	\$100,000	\$100,000

Note: Ending Unrestricted Net Assets for FY 2009 does not agree to Beginning Unrestricted Net Assets for FY 2010 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.

Key Ratios:

General Fund Subsidy as a % of Total Expenditures	12.4%	12.0%	11.0%	11.0%	11.0%
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Airport Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
REVENUE SUMMARY					
REVENUE CENTERS					
Airfield Revenue Center	\$101,290	\$102,500	\$108,000	\$108,000	\$108,000
Terminal Revenue Center	1,274,381	1,182,486	1,263,669	1,263,669	1,263,669
General Aviation Revenue Center	373,050	373,800	379,800	379,800	379,800
Other Airport Revenue Center	206,317	205,100	208,600	208,600	208,600
TOTAL REVENUE CENTERS	\$1,955,038	\$1,863,886	\$1,960,069	\$1,960,069	\$1,960,069
TRANSFERS					
Transfer from General Fund	\$295,850	\$286,401	\$271,120	\$271,120	\$271,120
TOTAL TRANSFERS	\$295,850	\$286,401	\$271,120	\$271,120	\$271,120
MISCELLANEOUS REVENUE					
Interest	\$9,176	\$11,000	\$4,000	\$4,000	\$4,000
Charges for Services	12,833	10,000	12,000	12,000	12,000
State Airport Aid	68,328	85,000	85,000	85,000	85,000
Federal Security Aid	113,948	118,415	118,415	118,415	118,415
All Other	14,751	4,000	5,000	5,000	5,000
TOTAL MISCELLANEOUS REVENUE	\$219,036	\$228,415	\$224,415	\$224,415	\$224,415
TOTAL REVENUES	\$2,469,924	\$2,378,702	\$2,455,604	\$2,455,604	\$2,455,604



Airport Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	15.0	14.0	14.0	14.0	14.0
City Funded Part-Time	0.0	0.0	0.7	0.7	0.7
City Funded Temporary	1.7	0.7	0.0	0.0	0.0
Grant Funded Full-Time	3.0	3.0	3.0	3.0	3.0
TOTAL FTE	19.7	17.7	17.7	17.7	17.7
EXPENDITURE BUDGET SUMMARY					
DEPARTMENTAL EXPENDITURES					
Salaries	\$552,676	\$565,009	\$566,839	\$566,839	\$566,839
Employee Benefits	213,219	218,798	230,709	230,709	230,709
Contractual Services	547,200	492,865	498,243	498,243	498,243
Internal Service Charges	36,997	36,289	35,830	35,830	35,830
Other Charges	325,802	307,150	353,750	353,750	353,750
Payments to Other Funds	128,320	167,183	171,113	171,113	171,113
TOTAL DEPARTMENTAL EXPENDITURES	\$1,804,214	\$1,787,294	\$1,856,484	\$1,856,484	\$1,856,484
NON-DEPARTMENTAL EXPENDITURES					
Security Personnel (Federal Program)	\$115,221	\$120,568	\$120,568	\$120,568	\$120,568
Non-Recurring Maintenance	96,400	80,000	80,000	80,000	80,000
Independent Financial Audit	10,294	10,000	10,688	10,688	10,688
Uncollectible Accounts	0	5,000	5,000	5,000	5,000
Other Non-Departmental	31,609	40,714	67,152	67,152	67,152
TOTAL NON-DEPARTMENTAL EXPENDITURES	\$253,524	\$256,282	\$283,408	\$283,408	\$283,408
DEBT SERVICE AND RESERVES					
Debt Service	\$319,075	\$335,126	\$315,712	\$315,712	\$315,712
TOTAL DEBT SERVICE AND RESERVES	\$319,075	\$335,126	\$315,712	\$315,712	\$315,712
TOTAL EXPENDITURES AND RESERVES	\$2,376,813	\$2,378,702	\$2,455,604	\$2,455,604	\$2,455,604



Airport Fund – Administration

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	4.0	4.0	4.0	4.0	4.0
City Funded Part-Time	0.0	0.0	0.7	0.7	0.7
City Funded Temporary	0.7	0.7	0.0	0.0	0.0
TOTAL FTE	4.7	4.7	4.7	4.7	4.7
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$256,597	\$258,893	\$258,893	\$258,893	\$258,893
Employee Benefits	86,225	88,798	94,759	94,759	94,759
Contractual Services	139,985	100,500	100,500	100,500	100,500
Other Charges	22,582	29,800	29,900	29,900	29,900
Payments to Other Funds	128,320	167,183	171,113	171,113	171,113
TOTAL	\$633,709	\$645,174	\$655,165	\$655,165	\$655,165

Airport Fund – Administration Budget Description

The Manager’s Proposed FY 2011 Airport Fund – Administration budget of \$655,165 represents a 1.5% increase of \$9,991 as compared to the Adopted FY 2010 budget of \$645,174.

Significant changes compared to the Adopted FY 2010 budget include:

- \$5,961 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$3,930 increase in the Indirect Cost Allocation payment to the General Fund reflecting increased costs of City Administrative support.

The Proposed FY 2011 Airport Fund – Administration budget was adopted by City Council without changes.



Airport Fund – Terminal

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	7	6	6	6	6
TOTAL FTE	7	6	6	6	6
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$159,417	\$165,549	\$165,923	\$165,923	\$165,923
Employee Benefits	74,069	73,487	76,193	76,193	76,193
Contractual Services	132,048	104,865	108,243	108,243	108,243
Internal Service Charges	15,565	16,255	16,684	16,684	16,684
Other Charges	166,091	137,450	168,450	168,450	168,450
TOTAL	\$547,190	\$497,606	\$535,493	\$535,493	\$535,493

Airport Fund – Terminal Budget Description

The Manager’s Proposed FY 2011 Airport Fund – Terminal budget of \$535,493 represents a 7.6% increase of \$37,887 as compared to the Adopted FY 2010 budget of \$497,606.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,706 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$31,000 increase in Utilities reflecting anticipated rate increases.

The Proposed FY 2011 Airport Fund – Terminal budget was adopted by City Council without changes.



Airport Fund – Airfield

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	3	3	3	3	3
City Funded Temporary	1	0	0	0	0
TOTAL FTE	4	3	3	3	3
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$110,982	\$108,604	\$110,060	\$110,060	\$110,060
Employee Benefits	41,726	44,473	47,253	47,253	47,253
Contractual Services	20,114	13,700	13,700	13,700	13,700
Internal Service Charges	19,695	19,234	18,346	18,346	18,346
Other Charges	73,039	74,400	77,400	77,400	77,400
TOTAL	\$265,556	\$260,411	\$266,759	\$266,759	\$266,759

Airport Fund – Airfield Budget Description

The Manager’s Proposed FY 2011 Airport Fund – Airfield budget of \$266,759 represents a 2.3% increase of \$6,348 as compared to the Adopted FY 2010 budget of \$260,411.

Significant changes compared to the Adopted FY 2010 budget include:

- \$2,780 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$3,000 increase in Utilities reflecting anticipated rate increases.

The Proposed FY 2011 Airport Fund – Airfield budget was adopted by City Council without changes.



Airport Fund – General Aviation

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	1	1	1	1	1
TOTAL FTE	1	1	1	1	1
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$24,148	\$27,963	\$27,963	\$27,963	\$27,963
Employee Benefits	11,085	11,734	12,198	12,198	12,198
Contractual Services	6,447	5,800	5,800	5,800	5,800
Other Charges	12,364	10,200	13,200	13,200	13,200
TOTAL	\$54,044	\$55,697	\$59,161	\$59,161	\$59,161

Airport Fund – General Aviation Budget Description

The Manager’s Proposed FY 2011 Airport Fund – General Aviation budget of \$59,161 represents a 6.2% increase of \$3,464 as compared to the Adopted FY 2010 budget of \$55,697.

Significant changes compared to the Adopted FY 2010 budget include:

- \$464 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$3,000 increase in Utilities reflecting anticipated rate increases.

The Proposed FY 2011 Airport Fund – General Aviation budget was adopted by City Council without changes.



Airport Fund – Other Operations

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Contractual Services	\$17,708	\$22,000	\$22,000	\$22,000	\$22,000
Other Charges	36,361	33,200	39,200	39,200	39,200
TOTAL	\$54,069	\$55,200	\$61,200	\$61,200	\$61,200

Airport Fund – Other Operations Budget Description

The Manager’s Proposed FY 2011 Airport Fund – Other Operations budget of \$61,200 represents a 10.9% increase of \$6,000 as compared to the Adopted FY 2010 budget of \$55,200.

Significant changes compared to the Adopted FY 2010 budget include:

- \$6,000 increase in Utilities reflecting anticipated rate increases.

The Proposed FY 2011 Airport Fund – Other Operations budget was adopted by City Council without changes.



Airport Fund – Safety (Law Enforcement)

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
Grant Funded Full-Time	3	3	3	3	3
TOTAL FTE	3	3	3	3	3
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$107,033	\$112,000	\$112,000	\$112,000	\$112,000
Employee Benefits	8,188	8,568	8,568	8,568	8,568
Contractual Services	226,999	241,000	243,000	243,000	243,000
Internal Service Charges	1,432	500	500	500	500
Other Charges	15,303	11,600	15,100	15,100	15,100
TOTAL	\$358,955	\$373,668	\$379,168	\$379,168	\$379,168

Airport Fund – Safety (Law Enforcement) Budget Description

The Manager’s Proposed FY 2011 Airport Fund – Safety (Law Enforcement) budget of \$379,168 represents a 1.5% increase of \$5,500 as compared to the Adopted FY 2010 budget of \$373,668.

Significant changes compared to the Adopted FY 2010 budget include:

- \$3,000 increase in Utilities reflecting anticipated rate increases.

The Proposed FY 2011 Airport Fund – Safety (Law Enforcement) budget was adopted by City Council without changes.



Airport Fund – Snow Removal

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,532	\$4,000	\$4,000	\$4,000	\$4,000
Employee Benefits	114	306	306	306	306
Contractual Services	3,899	5,000	5,000	5,000	5,000
Internal Service Charges	305	300	300	300	300
Other Charges	62	10,500	10,500	10,500	10,500
TOTAL	\$5,912	\$20,106	\$20,106	\$20,106	\$20,106

Airport Fund – Snow Removal Budget Description

The Manager’s Proposed FY 2011 Airport Fund – Snow Removal budget of \$20,106 represents no change as compared to the Adopted FY 2010 budget of \$20,106.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Airport Fund – Snow Removal budget was adopted by City Council without changes.

**Airport Fund Performance Measures**

Goal 1: Attract additional passengers, increase airport revenues, and contribute to the City's overall economic development potential.				
Objective: Increase the number of daily departure seats available from the Airport by attracting additional airline service and/or low airfares.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Daily departure seats	265 (average)	287 (average)	313 (average)	295 (average)
Analysis of the Data: Efforts to increase the number of daily departure seats offered by Lynchburg airline service providers during FY 2009 were successful due to significantly lower fares introduced in July 2008 which has attracted additional travelers and prompted the airlines to add additional flights.				

Goal 2: Produce additional direct and secondary revenue to the Airport.				
Objective: Increase airline passenger traffic served by the Airport.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Passenger traffic	142,569	144,000	89,691	175,000
Analysis of the Data: Despite the generally weak national economy, significantly lower fares implemented in July 2008 has resulted in more area travelers flying out of Lynchburg rather than traveling to other airports. This has produced additional revenue to the airport through landing fees, parking fees, and other concessions.				

Goal 3: Eliminate the annual operating subsidy from the City to the Airport by FY 2013.				
Objective: Reduce annually the operating subsidy from the City to the Airport.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Operating Subsidy	\$295,850	\$286,401	\$150,000	\$275,000
Analysis of the Data: The annual subsidy has declined each year since a high of \$614,530 in FY 2002. A lower subsidy was achieved for FY 2009 primarily by generating additional revenue due to an increase in airline passenger traffic.				

Benchmark Localities: There is no other locality in Virginia which owns a commercial service airport and our goals are not comparable to any other airport.				
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HISTORICAL FACT:

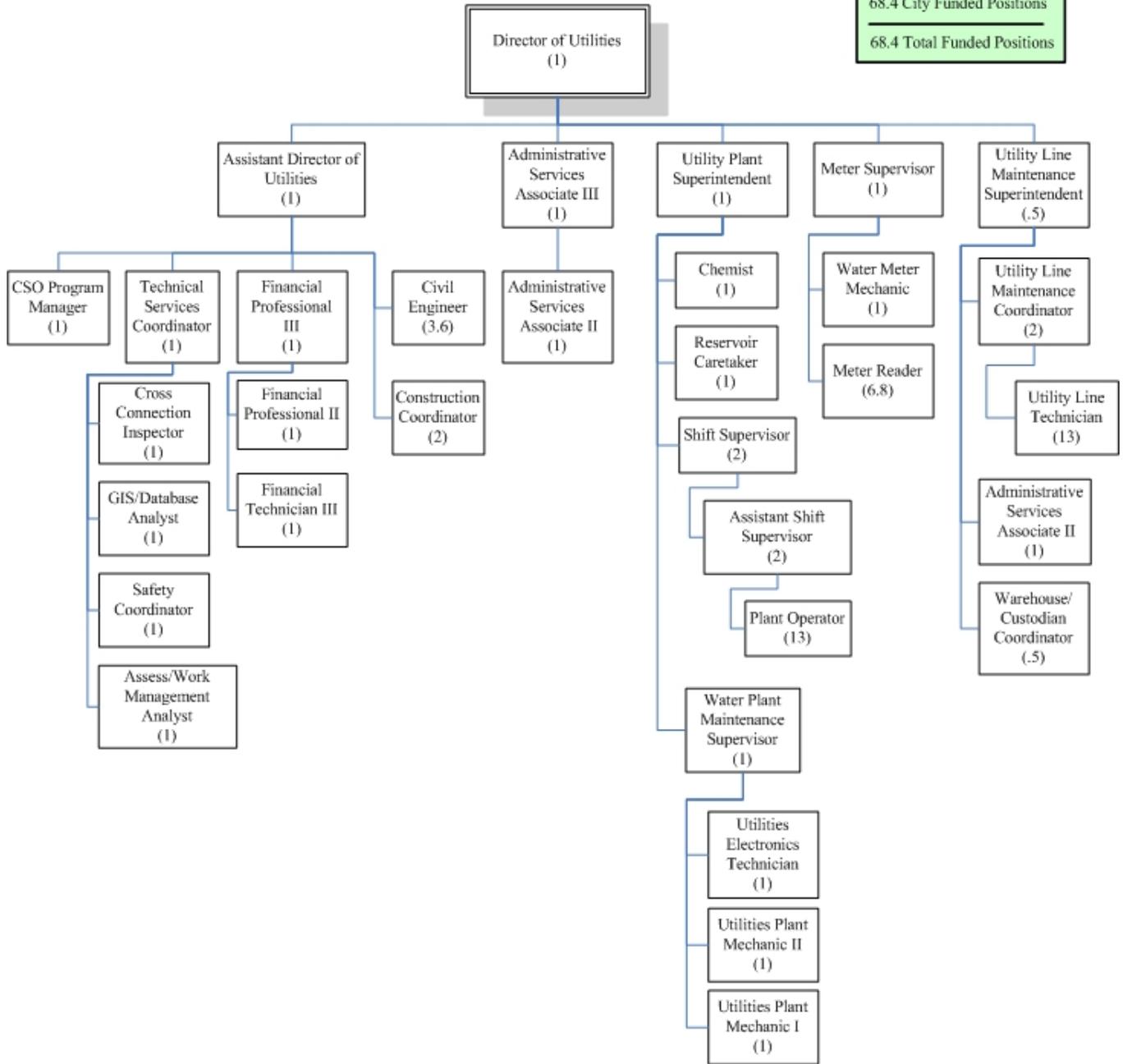
From April 6 to 10, 1865, Lynchburg served as the capital of Virginia. Under Governor William Smith, the executive and legislative branches of the Commonwealth moved to Lynchburg for the few days between the fall of Richmond and the fall of the Confederacy.





DEPARTMENT OF UTILITIES
WATER FUND

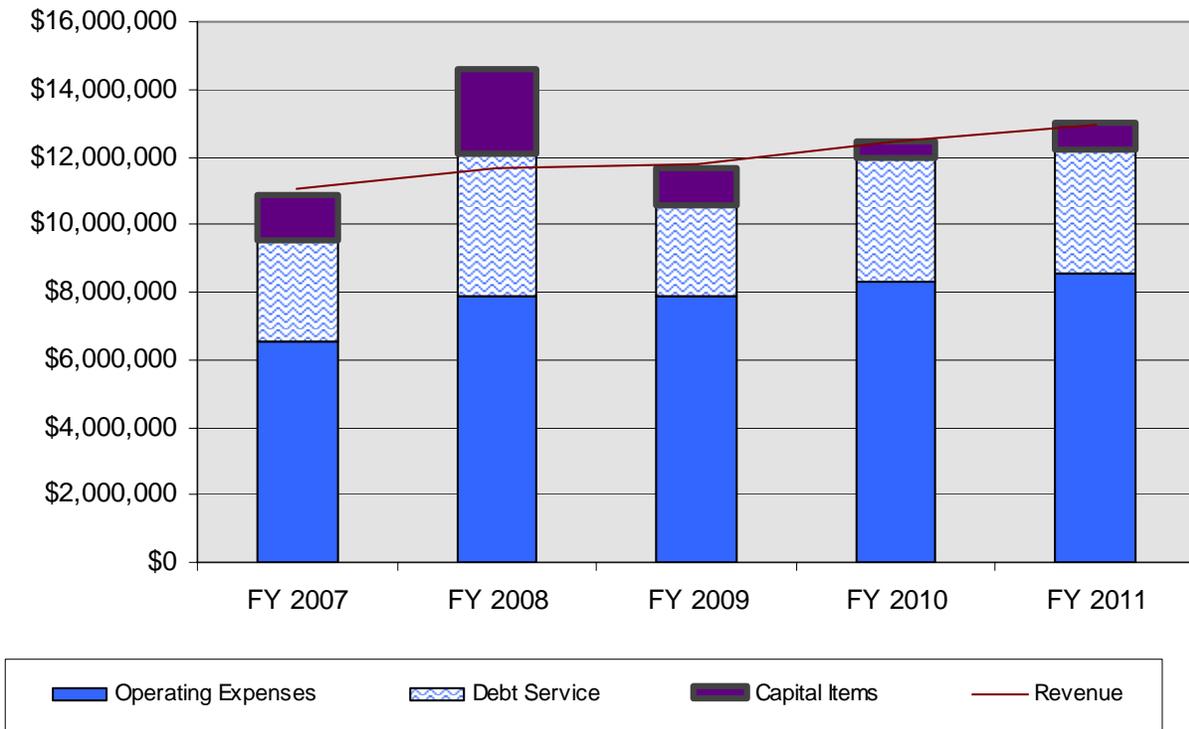
POSITION SUMMARY
68.4 City Funded Positions
68.4 Total Funded Positions





Water Fund. Lynchburg has one of the nation’s oldest public water systems. Today, the system is managed by the Utilities Department and furnishes safe drinking water to 70,000 City residents and businesses. It also delivers water to Amherst, Bedford, and Campbell Counties under wholesale contract agreements. Lynchburg’s raw water comes from the Pedlar Reservoir, a protected watershed in the George Washington National Forest and from the James River. The system can deliver up to 26 million gallons of water a day from two water treatment plants. Total treated water storage capacity is approximately 33 million gallons. Water is delivered through a 450-mile network of transmission and distribution lines, 12 water storage tanks and 7 major pump stations.

Revenues & Expenses





Water Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
WATER FUND DEBT COVERAGE					
REVENUES					
Charges for Services	\$9,012,069	\$9,399,940	\$9,832,903	\$9,832,903	\$9,832,903
Water Contracts	2,690,212	2,909,905	2,955,715	2,955,715	2,955,715
Interest and Other	111,384	173,741	161,000	161,000	161,000
TOTAL REVENUES	\$11,813,665	\$12,483,586	\$12,949,618	\$12,949,618	\$12,949,618
EXPENDITURES					
Water Treatment	\$2,954,021	\$3,027,077	\$3,101,742	\$3,101,742	\$3,101,742
Water Line Maintenance	1,547,936	1,665,533	1,542,902	1,542,902	1,542,902
Meter Reading	821,101	889,069	888,153	888,153	888,153
Administration/Engineering	2,529,470	2,376,783	2,866,104	2,866,104	2,866,104
Non-Departmental	127,587	93,037	218,366	218,366	218,366
Project Costs Charged to Operations	315,173	0	0	0	0
TOTAL EXPENDITURES	\$8,295,288	\$8,051,499	\$8,617,267	\$8,617,267	\$8,617,267
OPERATING INCOME	\$3,518,377	\$4,432,087	\$4,332,351	\$4,332,351	\$4,332,351
Debt Service	\$2,688,916	\$3,416,077	\$3,662,585	\$3,662,585	\$3,662,585
NET REVENUE	\$829,461	\$1,016,010	\$669,766	\$669,766	\$669,766
Debt Coverage Ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage Ratio	1.31	1.30	1.18	1.18	1.18

For rate setting purposes, \$130,997 of the total expenditures shown above are treated as capital cost. Further, debt service is offset by \$258,600 which is primarily related to interest rebates applicable to Build America Bonds. Debt coverage for rate setting purposes is 1.31.



Water Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
WATER FUND POSITION SUMMARY					
City Funded Full-Time ¹	64.0	66.0	68.0	67.0	67.0
City Funded Part-Time	0.0	0.0	1.4	1.4	1.4
City Funded Temporary	0.9	0.9	0.0	0.0	0.0
TOTAL FTE	64.9	66.9	69.4	68.4	68.4
WATER FUND SUMMARY					
BEGINNING NET ASSETS	\$37,714,159				
Less: Invested in Capital Assets, net of related debt	(22,569,402)				
BEGINNING UNRESTRICTED NET ASSETS	\$15,144,757	\$4,780,967	\$4,800,615	\$4,800,615	\$4,800,615
REVENUES					
Charges for Services	\$9,012,069	\$9,399,940	\$9,832,903	\$9,832,903	\$9,832,903
Water Contracts	2,690,212	2,909,905	2,955,715	2,955,715	2,955,715
Interest and Other	111,384	173,741	161,000	161,000	161,000
TOTAL REVENUES	\$11,813,665	\$12,483,586	\$12,949,618	\$12,949,618	\$12,949,618
EXPENDITURES					
Departmental ¹	\$7,774,831	\$7,958,462	\$8,352,901	\$8,352,901	\$8,352,901
Non-departmental	127,587	93,037	218,366	218,366	218,366
Equipment Purchases	77,697	0	46,000	46,000	46,000
Transfer - Capital	1,000,000	500,000	700,000	700,000	700,000
Debt Service	2,688,916	3,416,077	3,662,585	3,662,585	3,662,585
TOTAL EXPENDITURES	\$11,669,031	\$11,967,576	\$12,979,852	\$12,979,852	\$12,979,852
ENDING UNRESTRICTED NET ASSETS	\$15,289,391	\$5,296,977	\$4,770,381	\$4,770,381	\$4,770,381

Note: Ending Unrestricted Net Assets for FY 2009 does not agree to Beginning Unrestricted Net Assets for FY 2010 as Amended due to the difference in reporting capital outlay, debt service and certain revenue items in the CAFR and the Budget.

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with three positions; supervision will remain in the General Fund.



Water Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
WATER FUND REVENUE SUMMARY					
CHARGES FOR SERVICES					
Water Sales - Inside City	\$6,539,247	\$6,929,000	\$7,088,640	\$7,088,640	\$7,088,640
General Fund Hydrant Rental	345,000	351,900	351,900	351,900	351,900
Cut-on/late Charges	91,255	97,000	91,000	91,000	91,000
Delinquent Account Fees	93,123	100,000	85,000	85,000	85,000
Fire Protection Fees	82,073	79,040	85,363	85,363	85,363
Connection Fees	86,016	50,000	60,000	60,000	60,000
Availability Fees	58,223	50,000	45,000	45,000	45,000
Account Charges	591,019	600,000	600,000	600,000	600,000
Water Cost Plus	39,362	25,000	29,000	29,000	29,000
Sewer Fund Charges	1,063,248	1,100,000	1,381,000	1,381,000	1,381,000
All Others	23,503	18,000	16,000	16,000	16,000
TOTAL CHARGES FOR SERVICES	\$9,012,069	\$9,399,940	\$9,832,903	\$9,832,903	\$9,832,903
WATER CONTRACTS					
Counties					
Amherst	\$110,775	\$108,150	\$110,000	\$110,000	\$110,000
Bedford	1,500,649	1,568,000	1,664,640	1,664,640	1,664,640
Campbell	471,779	507,755	533,725	533,725	533,725
Industrial					
Rock Tenn	435,446	528,000	484,000	484,000	484,000
Frito Lay	171,563	198,000	163,350	163,350	163,350
TOTAL CONTRACTS	\$2,690,212	\$2,909,905	\$2,955,715	\$2,955,715	\$2,955,715
INTEREST AND OTHER					
Interest	\$82,845	\$163,741	\$150,000	\$150,000	\$150,000
All Other	28,539	10,000	11,000	11,000	11,000
TOTAL INTEREST AND OTHER	\$111,384	\$173,741	\$161,000	\$161,000	\$161,000
TOTAL REVENUES	\$11,813,665	\$12,483,586	\$12,949,618	\$12,949,618	\$12,949,618



Water Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
WATER FUND EXPENSE SUMMARY					
DEPARTMENTAL					
Salaries ¹	\$2,790,663	\$2,861,061	\$3,071,854	\$3,071,854	\$3,071,854
Employee Benefits ¹	1,022,091	1,097,152	1,239,712	1,239,712	1,239,712
Contractual Services	479,485	593,841	551,876	551,876	551,876
Chemicals	504,832	576,000	496,900	496,900	496,900
Telecommunications	22,547	24,850	29,750	29,750	29,750
Utilities-Water Treatment Plant	614,545	533,600	657,600	657,600	657,600
Supplies and Materials	941,231	979,520	926,220	926,220	926,220
Indirect Costs	874,588	756,622	856,622	856,622	856,622
Self-Insurance	150,538	148,191	148,191	148,191	148,191
All Other	374,311	387,625	374,176	374,176	374,176
TOTAL DEPARTMENTAL	\$7,774,831	\$7,958,462	\$8,352,901	\$8,352,901	\$8,352,901
NON-DEPARTMENTAL					
Financial Audit	\$22,875	\$21,250	\$22,712	\$22,712	\$22,712
Interest on Customer Deposits	10,172	15,450	15,914	15,914	15,914
Allowance for Uncollectible Accounts	20,734	25,000	25,750	25,750	25,750
Compensation Plan Adjustments	0	(129,403)	0	0	0
Utility Billing Upgrades	0	0	3,000	3,000	3,000
Retiree Benefits	73,806	160,740	150,990	150,990	150,990
TOTAL NON-DEPARTMENTAL	\$127,587	\$93,037	\$218,366	\$218,366	\$218,366
CAPITAL AND TRANSFERS					
Transfer to Water Capital Fund	\$1,000,000	\$500,000	\$700,000	\$700,000	\$700,000
Capital Purchases	77,697	0	46,000	46,000	46,000
TOTAL CAPITAL AND TRANSFERS	\$1,077,697	\$500,000	\$746,000	\$746,000	\$746,000
Debt Service	\$2,688,916	\$3,416,077	\$3,662,585	\$3,662,585	\$3,662,585
TOTAL EXPENDITURES	\$11,669,031	\$11,967,576	\$12,979,852	\$12,979,852	\$12,979,852

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with three positions; supervision will remain in the General Fund.



Department of Utilities Water Fund – Administration. Leadership, management and administrative support are provided for all water and wastewater functions, including the operation and maintenance of two water treatment plants and one wastewater treatment plant, a surface water reservoir on the Pedlar River, 33 million gallons of system storage, water distribution lines, storm water lines and basins, sanitary sewers, sewer separation projects, and meter reading. Functions include serving as governmental and regulatory liaison, managing the City’s Combined Sewer Overflow (CSO) program, providing engineering support, ensuring compliance with environmental regulations, financial and human resource management, safety and security coordination, technical services, cross connection control and backflow programs, and other administrative duties. Services for which oversight is provided are federally mandated by the Safe Drinking Water Act and the Clean Water Act. Oversight is provided by the Virginia Department of Health, the Virginia Department of Environmental Quality, the Virginia Department of Conservation and Recreation, and the Environmental Protection Agency.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time ¹	16.0	17.0	20.0	19.0	19.0
City Funded Part-Time	0.0	0.0	0.6	0.6	0.6
City Funded Temporary	0.4	0.4	0.0	0.0	0.0
TOTAL FTE	16.4	17.4	20.6	19.6	19.6
BUDGET SUMMARY					
EXPENDITURES					
Salaries ¹	\$947,302	\$970,772	\$1,210,046	\$1,210,046	\$1,210,046
Employee Benefits ¹	336,022	352,649	470,292	470,292	470,292
Contractual Services	77,576	55,740	87,740	87,740	87,740
Internal Service Charges	11,614	21,699	19,353	19,353	19,353
Other Charges	1,079,259	975,923	1,078,673	1,078,673	1,078,673
Capital Outlay	77,697	0	0	0	0
TOTAL	\$2,529,470	\$2,376,783	\$2,866,104	\$2,866,104	\$2,866,104

¹ Beginning July 1, 2010, the Water Fund will assume salary and employee benefit costs associated with three positions; supervision will remain in the General Fund.



Utilities Water Fund – Administration Budget Description

The Manager’s Proposed FY 2011 Utilities Water Fund – Administration budget of \$2,866,104 represents a 20.6% increase of \$489,321 as compared to the Adopted FY 2010 budget of \$2,376,783.

Significant changes compared to the Adopted FY 2010 budget include:

- \$356,917 increase in Salaries and Employee Benefits reflecting the transfer of three positions from the Community Development – Engineering Division General Fund budget, the transfer of two positions from the Financial Services General Fund budget, offset by a higher Virginia Retirement System rate.
- \$32,000 increase in Contractual Services reflecting a \$25,000 increase in Fiscal Services and a \$6,000 increase in Software Maintenance expense.
- \$2,346 decrease in Internal Service Charges reflecting recommendations from Fleet Administration.
- \$102,750 increase in Other Charges primarily reflecting an increase in Indirect Costs.

The Proposed FY 2011 Utilities Water Fund – Administration budget was adopted by City Council without changes.



Department of Utilities Water Fund – Meter Reading. Meter Readers record water meter readings for over 22,000 accounts every month, which serve as the basis for monthly water and sewer billings. Personnel replace meters on a schedule intended to assure accurate recording of consumption. Two inch and larger meters are replaced or calibrated on a regular basis as recommended by the American Water Works Association. Residential meters are replaced as needed but not less than every 15 years. Meter readers also install automated meter reading (AMR) equipment throughout the system to increase efficiency and safety. At the direction of the Billing and Collections Utility Billing Division of Finance, Meters Readers investigate unusual consumption, activate or deactivate water service, and investigate customer complaints for meter reading issues. The Meter Reading Division is also responsible for testing and maintenance of all pressure reducing valves in the water system.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	7.0	8.0	8.0	8.0	8.0
City Funded Part-Time	0.0	0.0	0.8	0.8	0.8
City Funded Temporary	0.5	0.5	0.0	0.0	0.0
TOTAL FTE	7.5	8.5	8.8	8.8	8.8
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$246,443	\$261,174	\$262,524	\$262,524	\$262,524
Employee Benefits	99,008	106,486	110,524	110,524	110,524
Contractual Services	4,761	39,966	33,996	33,996	33,996
Internal Service Charges	53,236	54,183	53,349	53,349	53,349
Other Charges	417,653	427,260	427,760	427,760	427,760
TOTAL	\$821,101	\$889,069	\$888,153	\$888,153	\$888,153

Utilities Water Fund – Meter Reading Budget Description

The Manager’s Proposed FY 2011 Utilities Water Fund – Meter Reading budget of \$888,153 represents a 0.1% decrease of \$916 as compared to the Adopted FY 2010 budget of \$889,069.

Significant changes compared to the Adopted FY 2010 budget include:

- \$4,038 increase in Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$5,970 decrease in Contractual Services reflecting reductions in maintenance and repair services as well as uniform services.

The Proposed FY 2011 Utilities Water Fund – Meter Reading budget was adopted by City Council without changes.



Department of Utilities Water Fund – Water Line Maintenance. Provides installation, maintenance, and repair of water lines, water services, hydrants, and valves. Responds to customer complaints, investigates, and initiates remedial action. Maintains records on the date of repairs, the length of service and the types of materials and equipment used. The water distribution system continually delivers treated water, under pressure, to customers. Services are federally mandated by the Safe Drinking Water Act. Oversight is provided by the Virginia Department of Health.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	16	16	16	16	16
TOTAL FTE	16	16	16	16	16
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$624,892	\$620,251	\$612,361	\$612,361	\$612,361
Employee Benefits	221,638	238,931	248,459	248,459	248,459
Contractual Services	126,870	231,969	160,574	160,574	160,574
Internal Service Charges	161,464	157,632	139,258	139,258	139,258
Other Charges	413,072	416,750	382,250	382,250	382,250
TOTAL	\$1,547,936	\$1,665,533	\$1,542,902	\$1,542,902	\$1,542,902

Utilities Water Fund – Water Line Maintenance Budget Description

The Manager's Proposed FY 2011 Utilities Water Fund – Water Line Maintenance budget of \$1,542,902 represents a 7.4% decrease of \$122,631 as compared to the Adopted FY 2010 budget of \$1,665,533.

Significant changes compared to the Adopted FY 2010 budget include:

- \$1,638 increase in Salaries and Employee Benefits reflecting the adjustment of a position to minimum due to retirement, offset by a higher Virginia Retirement System rate.
- \$71,395 decrease in Contractual Services reflecting a \$40,000 reduction in line protection services and minor decreases in other line items.
- \$18,374 decrease in Internal Services Charges reflecting recommendations from Fleet Administration.
- \$34,500 decrease in Other Charges reflecting a decrease in materials used for water line maintenance and repair.

The Proposed FY 2011 Utilities Water Fund – Water Line Maintenance budget was adopted by City Council without changes.



Department of Utilities Water Fund – Water Treatment Plant. Raw water from Pedlar Reservoir in Amherst County is delivered through a 22-mile gravity pipeline to Lynchburg. Two raw water pumping stations are located on the James River to augment the Pedlar supply as required. Chemicals are added at Pedlar Reservoir and at the Abert and College Hill Filtration Plants where treatment is completed. Water is continuously examined and tested for quality assurance during processing. In addition, periodic sampling is performed at selected points in the water distribution system to assure delivery of safe and potable water. Water is provided without interruption and with sufficient volume and pressure for consumption and for fire suppression throughout the City. The water quality is federally mandated by the Safe Drinking Water Act. Oversight is provided by the Virginia Department of Health.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	25	25	24	24	24
TOTAL FTE	25	25	24	24	24
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$972,026	\$1,008,864	\$986,923	\$986,923	\$986,923
Employee Benefits	365,423	399,086	410,437	410,437	410,437
Contractual Services	270,278	266,166	269,566	269,566	269,566
Internal Service Charges	29,611	31,711	31,866	31,866	31,866
Other Charges	1,316,683	1,321,250	1,356,950	1,356,950	1,356,950
Capital Outlay	0	0	46,000	46,000	46,000
TOTAL	\$2,954,021	\$3,027,077	\$3,101,742	\$3,101,742	\$3,101,742

Utilities Water Fund – Water Treatment Plant Budget Description

The Manager’s Proposed FY 2011 Utilities Water Fund – Water Treatment Plant budget of \$3,101,742 represents a 2.5% increase of \$74,665 as compared to the Adopted FY 2010 budget of \$3,027,077.

Significant changes compared to the Adopted FY 2010 budget include:

- \$10,590 decrease in Salaries and Employee Benefits reflecting the elimination of a full-time Custodian III, offset by a higher Virginia Retirement System rate.
- \$3,400 increase in Contractual Service due to increased janitorial services costs.
- \$35,700 net increase in Other Charges reflecting a \$124,000 increase in electricity costs, a \$79,600 reduction in chemicals, and a \$10,000 reduction in parts.
- \$46,000 increase in Capital Outlay reflecting the purchase of water treatment assets.

The Proposed FY 2011 Utilities Water Fund – Water Treatment Plant budget was adopted by City Council without changes.



Department of Utilities Water Fund Performance Measures

Goal 1:				
Maintain a high level of customer satisfaction with the quality and quantity of water produced.				
Objective:				
Produce safe, high quality water on an uninterrupted basis with sufficient volume and pressure for consumption and fire protection throughout the Lynchburg water system.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Drinking Water Compliance Rate (Percent of time compliant with National Primary Drinking Water Regulations).	100%	100%	100%	100%
Analysis of the Data:				
Drinking water quality consistently exceeds all state and federal standards.				

Goal 2:				
Deliver water on an uninterrupted basis while maintaining a high level of customer satisfaction.				
Objective:				
Maintain and operate the water system such that customer complaints and service disruptions are minimized.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Water Distribution System Integrity (breaks per 100 miles of distribution pipe).	21	24	3.8	20
Analysis of the Data:				
The water distribution system is aging. The consequence will be a steady increase in the number of water main breaks. The greatest number of breaks occur in January and February each year; therefore, the July - December figure generally is not indicative of the annual figure.				

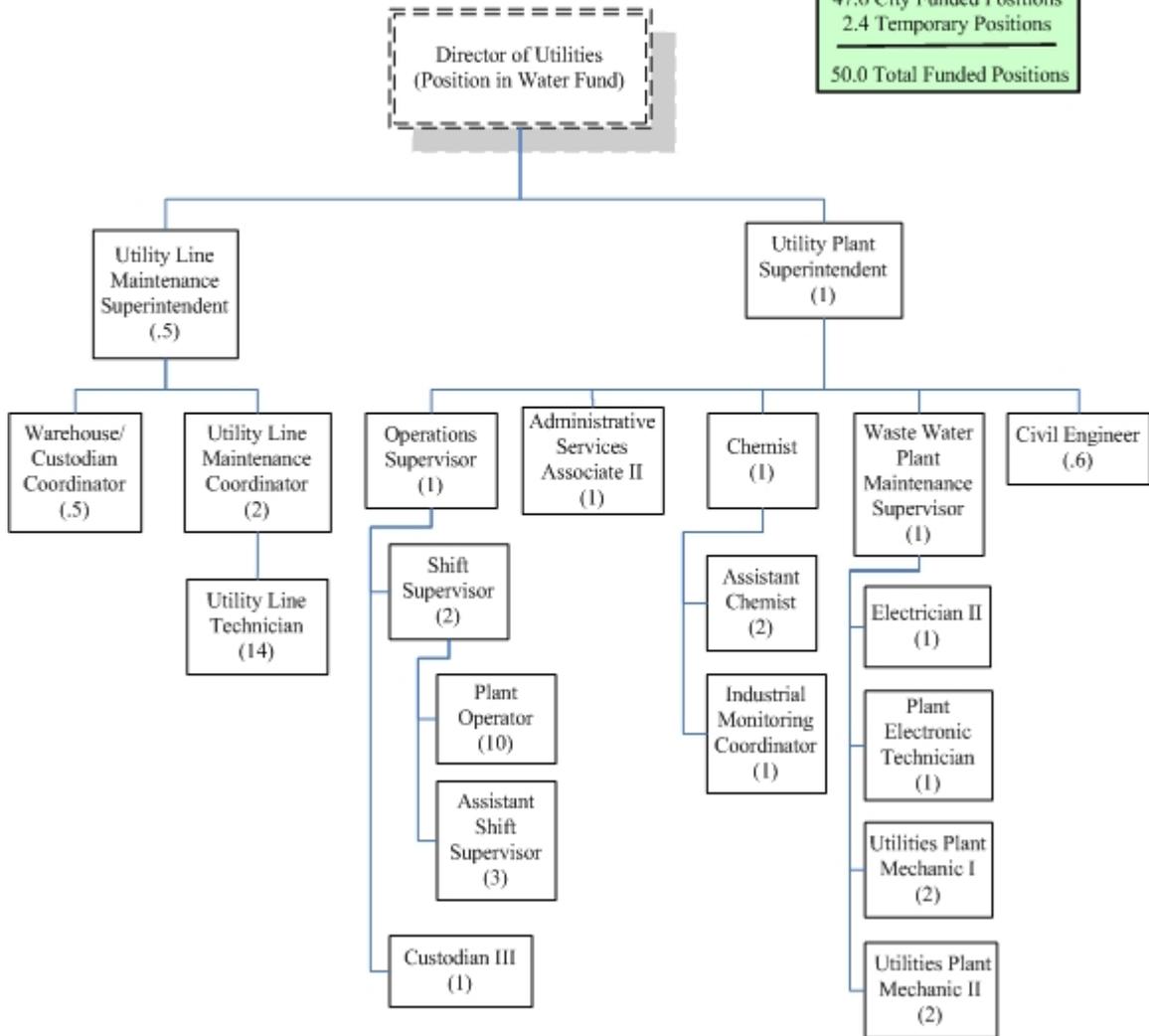
Goal 3:				
Operate the water treatment plants and pump stations efficiently.				
Objective:				
Operate the Water Treatment Plants in a cost-effective and efficient manner.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Overall water treatment cost per million gallons treated.	\$733	\$735	\$732	\$744
Analysis of the Data:				
Annual increases are due primarily to rising chemical and power costs as well as additional regulatory requirements.				

Benchmark Localities:				
Charlottesville, Danville, Hampton, Richmond, and Roanoke, VA; American Water Works Association (AWWA)				



DEPARTMENT OF UTILITIES
SEWER FUND

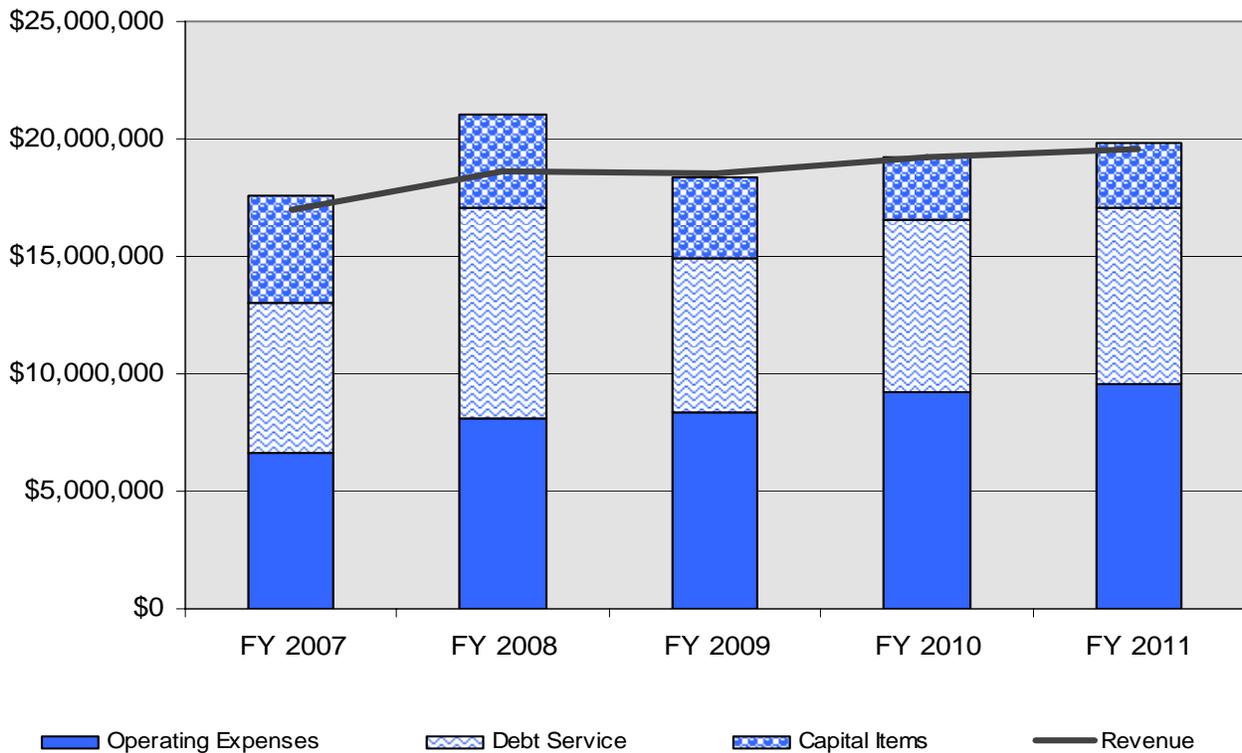
POSITION SUMMARY
.....
47.6 City Funded Positions
2.4 Temporary Positions
<hr/>
50.0 Total Funded Positions





Sewer Fund. The Utilities Department operates a regional wastewater treatment plant with an average daily treatment capacity of 22 million gallons per (mgd) per day of domestic or industrial wastewater and combined storm water. The department also owns and operates over 450 miles of sewer lines, including a combined sewer system. Wastewater service is provided to approximately 80% of the citizens and businesses in Lynchburg. Service is also provided to parts of Amherst, Bedford, and Campbell Counties under the terms of the 1974 Regional Sewage Treatment Plant Agreement. The Utilities Department also cleans, monitors, and repairs the wastewater collection system, including an extensive network of sanitary and combined sanitary/storm drains.

Revenues & Expenses





Sewer Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
SEWER FUND DEBT COVERAGE					
REVENUES					
Charges for Services	\$15,550,278	\$15,987,279	\$16,181,843	\$16,181,843	\$16,181,843
Sewer Contracts	2,667,664	2,961,334	3,022,790	3,022,790	3,022,790
Interest & Other	303,791	299,212	343,000	343,000	343,000
TOTAL REVENUES	\$18,521,733	\$19,247,825	\$19,547,633	\$19,547,633	\$19,547,633
EXPENDITURES					
Waste Water Treatment Plant	\$5,214,313	\$6,098,613	\$6,629,149	\$6,629,149	\$6,629,149
Sewer Line Maintenance	1,920,962	2,355,351	2,592,246	2,592,246	2,592,246
Non-Departmental	1,277,712	515,495	515,036	515,036	515,036
Projects costs charged to operations	647,329	0	0	0	0
TOTAL EXPENDITURES	\$9,060,316	\$8,969,459	\$9,736,431	\$9,736,431	\$9,736,431
OPERATING INCOME	\$9,461,417	\$10,278,367	\$9,811,202	\$9,811,202	\$9,811,202
Debt Service	\$6,540,164	\$7,283,231	\$7,550,690	\$7,550,690	7,550,690
NET REVENUE	\$2,921,253	\$2,995,136	\$2,260,512	\$2,260,512	\$2,260,512
Debt Coverage ratio Target	1.20	1.20	1.20	1.20	1.20
Debt Coverage ratio	1.45	1.41	1.30	1.30	1.30

For rate setting purposes \$425,000 of the total expenditures shown above are treated as capital cost. Further, debt service is offset by \$45,953 in interest rebates applicable to Build America Bonds and \$29,181 of service charges. Debt coverage for rate setting purposes and the Special Order is 1.37.



Sewer Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
SEWER FUND POSITION SUMMARY					
City Funded Full-Time	46.0	47.0	47.0	47.0	47.0
City Funded Part-Time	0.0	0.0	0.6	0.6	0.6
City Funded Temporary	2.6	3.0	2.4	2.4	2.4
TOTAL FTE	48.6	50.0	50.0	50.0	50.0
SEWER FUND SUMMARY					
BEGINNING NET ASSETS	\$87,902,988				
Less: Invested in Capital Assets, net of related debt	(60,437,857)				
BEGINNING UNRESTRICTED NET ASSETS	\$27,465,131	\$9,406,683	\$9,388,631	\$9,388,631	\$9,388,631
REVENUES					
Charges for Services	\$15,550,278	\$15,987,279	\$16,181,843	\$16,181,843	\$16,181,843
Sewer Contracts	2,667,664	2,961,334	3,022,790	3,022,790	3,022,790
Interest and Other	303,791	299,212	343,000	343,000	343,000
TOTAL REVENUES	\$18,521,733	\$19,247,825	\$19,547,633	\$19,547,633	\$19,547,633
EXPENDITURES					
Departmental	\$7,053,062	\$8,343,964	\$9,036,395	\$9,036,395	\$9,036,395
Non-departmental	1,277,712	515,495	515,036	515,036	515,036
Equipment Purchases	82,213	110,000	185,000	185,000	185,000
Transfer - Capital	3,400,000	2,500,000	2,500,000	2,500,000	2,500,000
Debt Service	6,540,164	7,283,231	7,550,690	7,550,690	7,550,690
TOTAL EXPENDITURES	\$18,353,151	\$18,752,690	\$19,787,121	\$19,787,121	\$19,787,121
ENDING UNRESTRICTED NET ASSETS	\$27,633,713	\$9,901,818	\$9,149,143	\$9,149,143	\$9,149,143



Sewer Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
SEWER FUND REVENUE SUMMARY					
CHARGES FOR SERVICES					
Sewer Sales - Inside City	\$13,700,203	\$14,399,070	\$14,404,000	\$14,404,000	\$14,404,000
Septic Hauler Charges	395,165	400,000	420,000	420,000	420,000
College Hill Backwash Charge	112,600	112,600	115,978	115,978	115,978
Leachate Treatment	59,280	60,471	62,285	62,285	62,285
Industrial Pre-treatment	4,550	7,000	4,500	4,500	4,500
Industrial Monitoring Charges	35,087	40,000	25,000	25,000	25,000
Industrial Surcharges	311,517	329,600	346,080	346,080	346,080
Cut-on & Penalty Charges	80,941	84,460	81,000	81,000	81,000
Connection charges	143,670	50,000	135,000	135,000	135,000
Availability Fees	250,399	50,000	125,000	125,000	125,000
Account Charges	415,536	423,044	424,000	424,000	424,000
Sewer Cost Plus	23,035	15,000	23,000	23,000	23,000
Miscellaneous	18,295	16,034	16,000	16,000	16,000
TOTAL CHARGES FOR SERVICES	\$15,550,278	\$15,987,279	\$16,181,843	\$16,181,843	\$16,181,843
SEWER CONTRACTS					
Counties					
Amherst	\$318,919	\$313,082	\$438,042	\$438,042	\$438,042
Bedford	358,109	343,440	432,214	432,214	432,214
Campbell	238,687	225,743	286,534	286,534	286,534
Industrial					
Rock Tenn	1,138,835	1,442,000	1,236,000	1,236,000	1,236,000
Frito Lay	613,114	637,069	630,000	630,000	630,000
TOTAL SEWER CONTRACTS	\$2,667,664	\$2,961,334	\$3,022,790	\$3,022,790	\$3,022,790
INTEREST AND OTHER					
Interest	\$265,291	\$206,212	\$250,000	\$250,000	\$250,000
State Highway Maintenance	38,500	93,000	93,000	93,000	93,000
TOTAL INTEREST AND OTHER	\$303,791	\$299,212	\$343,000	\$343,000	\$343,000
TOTAL REVENUES	\$18,521,733	\$19,247,825	\$19,547,633	\$19,547,633	\$19,547,633



Sewer Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
SEWER FUND EXPENSE SUMMARY					
DEPARTMENTAL					
Salaries	\$1,766,733	\$1,945,968	\$1,930,363	\$1,930,363	\$1,930,363
Employee Benefits	674,040	745,192	781,654	781,654	781,654
Chemicals	496,054	627,000	639,000	639,000	639,000
Communication Charges	16,397	14,750	16,550	16,550	16,550
Utilities-Waste Water Treatment Plant	592,188	495,000	674,250	674,250	674,250
Natural Gas	98,830	140,000	140,000	140,000	140,000
Sludge Disposal	530,895	550,000	550,000	550,000	550,000
Contractual Services	885,668	818,590	882,994	882,994	882,994
Supplies and Materials	483,425	536,700	536,200	536,200	536,200
Indirect Costs	852,694	685,219	785,219	785,219	785,219
Self-Insurance	196,716	193,886	193,886	193,886	193,886
Admin/Overhead Pmts to Water fund	0	1,100,000	1,381,000	1,381,000	1,381,000
All Other	459,422	491,659	525,279	525,279	525,279
TOTAL DEPARTMENTAL	\$7,053,062	\$8,343,964	\$9,036,395	\$9,036,395	\$9,036,395
NON-DEPARTMENTAL					
Water Operating Payment	\$1,063,248	\$0	\$0	\$0	\$0
Financial Audit	15,728	16,250	17,368	17,368	17,368
Allowance for Uncollectible Accounts	30,054	25,000	25,750	25,750	25,750
Special Order CSO Charges	8,999	34,073	45,395	45,395	45,395
Retiree Benefits	139,498	140,172	126,523	126,523	126,523
Interceptor Maintenance	20,185	300,000	300,000	300,000	300,000
TOTAL NON-DEPARTMENTAL	\$1,277,712	\$515,495	\$515,036	\$515,036	\$515,036
CAPITAL AND TRANSFERS					
Transfer to Sewer Capital Fund	\$3,400,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Capital Purchases	82,213	110,000	185,000	185,000	185,000
TOTAL CAPITAL AND TRANSFERS	\$3,482,213	\$2,610,000	\$2,685,000	\$2,685,000	\$2,685,000
Debt Service	\$6,540,164	\$7,283,231	\$7,550,690	\$7,550,690	\$7,550,690
TOTAL EXPENDITURES	\$18,353,151	\$18,752,690	\$19,787,121	\$19,787,121	\$19,787,121



Department of Utilities Sewer Fund – Sewer Line Maintenance Division. Provides installation, maintenance, cleaning and repair of sanitary sewer lines and sewer services as well as monitoring of overflow points. Performs line inspections using TV cameras. Provides vermin control. Manages storm water and maintains retention pond grounds. Maintenance of storm and sanitary sewer lines provides flood and pollution control, thus promoting the welfare and health of the public. Services are federally mandated by the Clean Water Act. Oversight is provided by the Department of Environmental Quality.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	17	17	17	17	17
TOTAL FTE	17	17	17	17	17
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$569,988	\$636,797	\$614,633	\$614,633	\$614,633
Employee Benefits	226,410	252,688	259,724	259,724	259,724
Contractual Services	69,349	113,619	151,723	151,723	151,723
Internal Service Charges	300,675	301,094	329,609	329,609	329,609
Other Charges	754,540	1,041,153	1,226,557	1,226,557	1,226,557
Capital Outlay	0	10,000	10,000	10,000	10,000
TOTAL	\$1,920,962	\$2,355,351	\$2,592,246	\$2,592,246	\$2,592,246

Utilities Sewer Fund – Sewer Line Maintenance Division Budget Description

The Manager’s Proposed FY 2011 Utilities Sewer Fund – Sewer Line Maintenance Division budget of \$2,592,246 represents a 10.1% increase of \$236,895 as compared to the Adopted FY 2010 budget of \$2,355,351.

Significant changes compared to the Adopted FY 2010 budget include:

- \$15,128 decrease in Salaries and Employee Benefits reflecting the adjustment of a position to minimum due to retirement, not planning for employee progression pay, offset by a higher Virginia Retirement System rate.
- \$38,104 increase in Contractual Services reflecting an increase of \$54,500 for Line Protection Services.
- \$28,515 increase in Internal Service charges recommendations from Fleet Administration.
- \$185,404 increase in Other Charges which includes an increase of \$77,461 for Water Fund Administration expenses and an increase of \$115,643 for General Fund Indirect Cost.

The Proposed FY 2011 Utilities Sewer Fund – Sewer Line Maintenance Division budget was adopted by City Council without changes.



Department of Utilities Sewer Fund – Wastewater Treatment Plant. Performs secondary treatment for an average of 13 million gallons per day (mgd) (with peaks up to 44 mgd) of domestic and industrial wastewater. Amherst, Bedford, and Campbell Counties partner with the City in this cooperative endeavor by paying their proportional share of the capital and operating expenses based on the capacity they own and their wastewater flows. Wastewater receives primary settling, aeration, secondary settling, and disinfection before the effluent is discharged into the James River. Sludge produced from the treatment process is dewatered and landfilled. Wastewater is treated to meet or exceed Federal and State water quality standards and to promote the general health and welfare of residents of the region. The services provided are Federally mandated by the Clean Water Act. Oversight is provided by the Department of Environment Quality.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
POSITION SUMMARY					
City Funded Full-Time	29.0	30.0	30.0	30.0	30.0
City Funded Part-Time	0.0	0.0	0.6	0.6	0.6
City Funded Temporary	2.6	3.0	2.4	2.4	2.4
TOTAL FTE	31.6	33.0	33.0	33.0	33.0
BUDGET SUMMARY					
EXPENDITURES					
Salaries	\$1,196,745	\$1,309,171	\$1,315,730	\$1,315,730	\$1,315,730
Employee Benefits	447,630	492,504	521,930	521,930	521,930
Contractual Services	816,319	704,971	731,271	731,271	731,271
Internal Service Charges	110,992	108,815	114,370	114,370	114,370
Other Charges	2,560,414	3,383,152	3,770,848	3,770,848	3,770,848
Capital Outlay	82,213	100,000	175,000	175,000	175,000
TOTAL	\$5,214,313	\$6,098,613	\$6,629,149	\$6,629,149	\$6,629,149



Utilities Sewer Fund – Wastewater Treatment Plant Budget Description

The Manager’s Proposed FY 2011 Utilities Sewer Fund – Wastewater Treatment Plant budget of \$6,629,149 represents an 8.7% increase of \$530,536 as compared to the Adopted FY 2010 budget of \$6,098,613.

Significant changes compared to the Adopted FY 2010 budget include:

- \$35,985 increase in Salaries and Employee Benefits primarily due to a higher Virginia Retirement System rate.
- \$26,300 increase in Contractual Services reflecting an increase of \$10,000 for Laboratory Testing and \$20,000 for Engineering Services.
- \$5,555 increase in Internal Service Charges reflecting recommendations from Fleet Administration.
- \$387,696 increase in Other Charges reflecting an increase of \$175,000 for electricity and \$203,539 to the Water Fund for administrative services.
- \$75,000 increase in Capital Outlay reflecting the upgrade of a core switch for \$30,000 and replacing an Atomic Absorption Spectrophotometer for \$30,000.

The Proposed FY 2011 Utilities Sewer Fund – Wastewater Treatment Plant budget was adopted by City Council without changes.



Department of Utilities Sewer Fund Performance Measures

Goal 1:				
Protect the environment and promote the general health and welfare of the citizens of Lynchburg while maintaining a high level of customer satisfaction.				
Objective:				
Provide pollution and flood control through the maintenance of the sanitary and storm sewer systems.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Sewer Overflow Rate (reportable overflows per 100 miles of sewer line).	3.1	7.5	3.8	6.8
Analysis of the Data:				
This measure reflects overflows not associated with Combined Sewer Overflow (CSO). Significant work has been performed on the combined portion of the system; meanwhile, the separated sewer system continues to age resulting in an anticipated increase in overflows.				

Goal 2:				
Protect the environment and promote general health and welfare.				
Objective:				
Treat wastewater from the City of Lynchburg and Amherst, Bedford, and Campbell Counties to meet or exceed all state and federal regulatory requirements.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Treatment Effectiveness Rate (% of days in compliance with numerical VA Pollutant Discharge Elimination System permit limits).	100%	100%	100%	100%
Analysis of the Data:				
Wastewater Treatment Plant effluent quality is consistently better than permitted requirements.				

Goal 3:				
Operate the Wastewater Treatment Plant in a cost-effective and efficient manner.				
Objective:				
Treat wastewater in a technically-sound and efficiently-operated Regional Wastewater Treatment Plant on an uninterrupted basis.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Overall treatment cost per million gallons treated.	\$1,183	\$1,095	\$1,000	\$1,270
Analysis of the Data:				
Annual increases are due primarily to rising chemical and power costs as well as additional regulatory requirements.				

Benchmark Localities:				
Charlottesville, Danville, Hampton, Richmond, and Roanoke, VA; American Water Works Association (AWWA)				



Other Funds

A summary of all funds managed by the City is included in the budget document. Inclusion of all funds provides City Council and citizens with a more comprehensive view of the City's finances.

Asset Forfeiture Fund

Central Virginia Radio Communications Board Fund

City/Federal/State Aid Fund (Grants Fund)

- Commonwealth's Attorney Office Grants
- Fire Department Grants
- Juvenile Services Grants
- Social Services Grants
- Community Diversion – Community Corrections Program Grant
- Non-Departmental – Citizens for a Clean Lynchburg Grant
- Non-Departmental – Workforce Investment Act Grant

Community Development Block Grant (CDBG) Fund

Comprehensive Services Act (CSA) Fund

HOME Investment Partnerships Program Fund

Lynchburg Expressway Appearance Fund (LEAF) Special Revenue Fund

Regional Juvenile Detention Center Fund

Risk Management (Self-Insurance) Fund

Special Welfare Fund

Stadium Fund

Technology Fund



Asset Forfeiture Fund. Established as required by the Commonwealth of Virginia to monitor the receipts of assets seized as a result of police investigations of criminal activity. The seizure of assets is a civil forfeiture based upon probable cause to believe the asset was used in substantial connection to a drug violation. Upon judicial action authorizing such seizure, the asset is remitted to the Commonwealth of Virginia. The State is allocated a portion of the seizure and returns the balance to the respective locality to allocate between the Police Department, Commonwealth Attorney, Sheriff and other municipalities, if appropriate. The expenditure of these funds must be related to law enforcement purposes. It is not appropriate per the State Code to budget or anticipate revenues in this fund, therefore no budget has been submitted for FY 2011. Represented in the columns below are the respective allocations received from the State and allowable expenditures. Due to the delicate nature of these expenditures, they have not been itemized. This fund will be reviewed each year at the annual Carryforward and Third Quarter Reviews to adjust for revenues and expenditures.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
ASSET FORFEITURE FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$256,894	\$166,199	\$119,634	\$119,634	\$119,634
REVENUES					
Revenues from the Commonwealth	\$102,456	\$0	\$0	\$0	\$0
Revenues from the Federal Government	4,684	0	0	0	0
Revenues from Interest Income	355	0	0	0	0
Transfer From City Federal State Aid Fund	1,377	0	0	0	0
TOTAL REVENUES	\$108,872	\$0	\$0	\$0	\$0
EXPENDITURES	\$76,562	\$15,063	\$34,652	\$34,652	\$34,652
TOTAL EXPENDITURES	\$76,562	\$15,063	\$34,652	\$34,652	\$34,652
ENDING DESIGNATED FUND BALANCE	\$289,204	\$151,136	\$84,982	\$84,982	\$84,982

Asset Forfeiture Fund Budget Description

The Manager’s Proposed FY 2011 Asset Forfeiture Fund budget of \$34,652 represents a 56.5% increase of \$19,589 as compared to the Adopted FY 2010 budget of \$15,063.

Significant changes compared to the Adopted FY 2010 budget include:

- The budget in this fund fluctuates from year to year and typically funds one-time or non-recurring public safety expenditures.
- The FY 2011 budget reflects the use of a portion of prior year actual seized asset revenues. Remaining revenues remain designated for future use.

The Proposed FY 2011 Asset Forfeiture Fund budget was adopted by City Council without changes.



Central Virginia Radio Communications Board (CVRCB) Fund. This board oversees the operation of the regional radio system as well as its maintenance. Revenues for this fund come from each of the participating jurisdictions (Amherst and Bedford Counties and the independent Cities of Bedford and Lynchburg). Expenses include equipment maintenance, training, electrical and fuel costs. The Lynchburg Director of Emergency Communications serves on the board.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
CENTRAL VIRGINIA RADIO COMMUNICATIONS BOARD FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$223,357	\$223,357	\$285,060	\$285,060	\$285,060
REVENUES					
Charges for Services	\$767,912	\$817,890	\$736,101	\$736,101	\$736,101
Miscellaneous	2,372	0	0	0	0
TOTAL REVENUES	\$770,284	\$817,890	\$736,101	\$736,101	\$736,101
EXPENDITURES					
Contractual Services	\$643,107	\$706,453	\$714,153	\$714,153	\$714,153
Other Charges	65,474	86,437	78,737	78,737	78,737
Capital Outlay	0	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	\$708,581	\$817,890	\$817,890	\$817,890	\$817,890
ENDING DESIGNATED FUND BALANCE	\$285,060	\$223,357	\$203,271	\$203,271	\$203,271

Central Virginia Radio Communications Board (CVRCB) Fund Budget Description

The Manager's Proposed FY 2011 Central Virginia Radio Communications Board Fund budget of \$817,890 represents no change as compared to the Adopted FY 2010 budget of \$817,890.

Significant changes compared to the Adopted FY 2010 budget include:

- \$7,700 increase in Contractual Services reflecting the anticipated need for additional consultant and pest control services.
- \$7,700 decrease in Other Charges reflecting the elimination of training and conferences expenses.

The Proposed FY 2011 Central Virginia Radio Communications Board Fund budget was adopted by City Council without changes.



City/Federal/State Aid Fund. This fund accounts for a wide range of activities funded through federal, state and local grants. Departments that currently receive grant funds are: Commonwealth’s Attorney Office, Emergency Services, Fire, Juvenile Services, Social Services, and Community Corrections and Pre-Trial Services. Grant funds typically are restricted to providing a particular service within specified grant periods and may require local matching funds.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
CITY FEDERAL STATE AID FUND POSITION SUMMARY					
Grant Funded Full-Time	20.28	20.28	16.14	16.14	17.14
Grant Funded Part-Time	0.88	1.00	1.98	1.98	1.98
Grant Funded Temporary	1.75	1.00	0.75	0.75	0.75
TOTAL FTE	22.91	22.28	18.87	18.87	19.87

CITY FEDERAL STATE AID FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Federal Government	\$1,757,361	\$1,673,310	\$1,446,560	\$1,446,560	\$1,434,528
Revenue from the Commonwealth	747,805	707,398	853,625	853,625	845,323
Revenue from Asset Forfeiture Fund	13,496	17,691	0	0	0
Revenues from In-Kind Grant Match	0	0	22,570	22,570	22,570
Transfers from General Fund	14,462	36,068	30,799	30,799	27,070
TOTAL REVENUES	\$2,533,124	\$2,434,467	\$2,353,554	\$2,353,554	\$2,329,491
EXPENDITURES					
Salaries	\$778,940	\$808,145	\$676,115	\$676,115	\$676,115
Employee Benefits	282,454	306,000	269,401	269,401	269,401
Contractual Services	975,227	936,787	915,297	915,297	915,297
Other Charges	459,295	333,535	492,741	492,741	468,678
Capital Outlay	37,207	50,000	0	0	0
TOTAL EXPENDITURES	\$2,533,124	\$2,434,467	\$2,353,554	\$2,353,554	\$2,329,491
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Key Ratios:

General Fund Transfer as a % of Total Expenditures	1%	1%	1%	1%	1%
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City/Federal/State Aid Fund

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
PROGRAM SUMMARY BY DEPARTMENT					
EXPENDITURES					
Commonwealth Attorney's Office					
Byrne Memorial Justice Program	\$44,391	\$60,250	\$60,250	\$60,250	\$60,250
Domestic Violence Program	229,345	221,678	0	0	0
Victim Witness Program	226,190	226,189	221,461	221,461	221,461
V-Stop Grant	0	0	90,253	90,253	90,253
Fire Department					
EMS Four for Life Program	19,873	45,000	45,000	45,000	45,000
Fire Program	164,394	170,000	170,000	170,000	170,000
Juvenile Services					
USDA School Nutrition Program	15,271	20,000	20,000	20,000	20,000
Social Services					
Americorp Program	10,052	12,620	0	0	0
Destiny Program	70,300	0	0	0	0
Education Support Special Initiative Program	31,651	16,680	16,680	16,680	16,680
Foster Parent Recruiting and Training Program	9,584	10,500	10,500	10,500	10,500
Independent Living Program	21,281	21,533	23,626	23,626	23,626
Piedmont Regional Adoption Program	96,779	115,500	115,500	115,500	115,500
Quality Initiative Program	24,063	24,063	24,063	24,063	0
Respite Program	11,880	11,883	11,883	11,883	11,883
Safe and Stable Families Program	28,804	19,535	34,453	34,453	34,453
TANF Job Retention and Wage Program	164,093	220,967	131,654	131,654	131,654
Community Diversion					
Byrne Memorial Justice Program	50,000	0	80,000	80,000	80,000
Community Corrections Program	427,069	427,069	487,069	487,069	487,069
Non-Departmental					
Citizens for a Clean Lynchburg	14,609	11,000	11,162	11,162	11,162
Workforce Investment Act Program	873,495	800,000	800,000	800,000	800,000
TOTAL EXPENDITURES	\$2,533,124	\$2,434,467	\$2,353,554	\$2,353,554	\$2,329,491



Commonwealth's Attorney Office Grants

Victim/Witness Program. The Victim/Witness Program exists to ensure that crime victims and witnesses receive fair and compassionate treatment while participating in the criminal justice system. In particular, a long-standing primary goal of the program is to assist those who are involuntarily involved in the justice system and encourage those who have been involved in a violent crime to come forward. Victim Witness Advocates, as provided through this program, assist victims and witnesses through the criminal justice process while meeting critical needs that are often necessary to those same individuals.

Byrne Justice Assistance Grant. The Byrne Justice Assistance (BJA) grant program provides funding for populations who serve minority, refugee and immigrant communities. The goal is to increase minorities understanding and participation in crime/delinquency prevention, through partnerships with law enforcement and other community groups; and improve these communities' understanding of their rights and responsibilities within the legal system. The intent, in part, of the BJA funding is to continue on-going efforts of the Community Court Program, as provided by the Office of the Commonwealth's Attorney and various community groups within the City of Lynchburg.

V-Stop Grant. V-Stop funds originated in 1994, when the United States Congress passed the Violence against Women Act (VAWA) as part of the Violent Crime Control and Law Enforcement Act. VAWA included the Services, Training, Officers, Prosecution (STOP) grant program. V-STOP offers supporting funds for activities which increase the apprehension, prosecution, and adjudication of persons committing violent crimes against women.



Commonwealth's Attorney Office Grants

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
COMMONWEALTH'S ATTORNEY GRANTS POSITION SUMMARY					
Grant Funded Full-Time	6.28	6.28	4.14	4.14	4.14
Grant Funded Part-Time	0.00	0.00	0.50	0.50	0.50
Grant Funded Temporary	0.50	0.50	0.00	0.00	0.00
TOTAL FTE	6.78	6.78	4.64	4.64	4.64
COMMONWEALTH'S ATTORNEY GRANTS BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Federal Government	\$488,829	\$470,610	\$334,331	\$334,331	\$334,331
Revenues from Asset Forfeiture Fund	11,097	15,063	0	0	0
Revenues from In-Kind Grant Match	0	0	22,570	22,570	22,570
Revenues from General Fund	0	22,444	15,063	15,063	15,063
TOTAL REVENUES	\$499,926	\$508,117	\$371,964	\$371,964	\$371,964
EXPENDITURES					
Salaries	\$326,542	\$326,622	\$211,573	\$211,573	\$211,573
Employee Benefits	111,468	109,974	88,140	88,140	88,140
Contractual Services	47,592	68,000	48,000	48,000	48,000
Other Charges	14,324	3,521	24,251	24,251	24,251
TOTAL EXPENDITURES	\$499,926	\$508,117	\$371,964	\$371,964	\$371,964
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Commonwealth's Attorney Office Grants Budget Description

The Manager's Proposed FY 2011 Commonwealth's Attorney Office Grants budget of \$371,964 represents a 26.8% decrease of \$136,153 as compared to the Adopted FY 2010 budget of \$508,117.

Significant changes compared to the Adopted FY 2010 budget include:

- \$136,883 decrease in Salaries and Employee Benefits reflecting a loss of funding from the Domestic Violence Grant resulting in a reduction of two full-time positions, offset by a higher Virginia Retirement System rate.
- \$20,000 decrease in Contractual Services reflecting a loss of funding from the Domestic Violence Grant.
- \$20,730 increase in Other Charges reflecting a loss of funding from the Domestic Violence grant, as well as an increase for the in-kind match for the V-Stop Grant.

The Proposed FY 2011 Commonwealth's Attorney Office Grants budget was adopted by City Council without changes.



Fire Department Grants

Fire Programs. As a result of 1985 Virginia General Assembly legislative action, the Fire Programs Fund is administered by the Virginia Department of Fire Programs. This legislation, as amended, authorizes an annual assessment against all licensed insurance companies selling selected types of fire and fire-related insurance in the Commonwealth. The assessment is appropriated to localities in the Commonwealth on a per-capita basis for the purpose of improving fire service operations via expenditures for fire service training, fire prevention and public safety education programs, fire fighting equipment, protective clothing, etc.

Emergency Medical Services (EMS) Four for Life. Section 46.2-694 of the Code of Virginia provides for the collection of four dollars for the registration of each passenger vehicle, pickup and panel truck. Approximately 25% of the revenues are returned to the locality wherein such vehicles are registered. The funds are used to provide training for volunteer and/or salaried emergency medical service personnel and for purchases of necessary equipment/supplies.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
FIRE DEPARTMENT GRANTS BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Commonwealth	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
TOTAL REVENUES	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
EXPENDITURES					
Salaries	\$102	\$0	\$0	\$0	\$0
Employee Benefits	308	0	0	0	0
Contractual Services	60	0	0	0	0
Other Charges	146,590	165,000	215,000	215,000	215,000
Capital Outlay	37,207	50,000	0	0	0
TOTAL EXPENDITURES	\$184,267	\$215,000	\$215,000	\$215,000	\$215,000
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Fire Department Grants Budget Description

The Manager’s Proposed FY 2011 Fire Department Grants budget of \$215,000 represents no change as compared to the Adopted FY 2010 budget of \$215,000.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Fire Department Grants budget was adopted by City Council without changes.



Juvenile Services Grant

United States Department of Agriculture (USDA) School Nutrition Program for Group Homes. The United States Department of Agriculture (USDA) allocates funding for the purchase of food service-related items or services for the residential youth care programs at Opportunity House and SPARC House. Administered by the Virginia Department of Juvenile Justice, these funds permit the purchase of needed kitchen equipment, utensils, and/or other food service-related requirements for these programs.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
JUVENILE SERVICES GRANTS BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Federal Government	\$15,271	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL REVENUES	\$15,271	\$20,000	\$20,000	\$20,000	\$20,000
EXPENDITURES					
Other Charges	\$15,271	\$20,000	\$20,000	\$20,000	\$20,000
TOTAL EXPENDITURES	\$15,271	\$20,000	\$20,000	\$20,000	\$20,000
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Juvenile Services Grant Budget Description

The Manager’s Proposed FY 2011 Juvenile Services Grant budget of \$20,000 represents no change as compared to the Adopted FY 2010 budget of \$20,000.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Juvenile Services Grant budget was adopted by City Council without changes.



Social Services Grants

Comprehensive Services Act Providers Grant - Safe and Stable Families. Provides services for family preservation, to increase the health and well being of families, and increase family management effectiveness.

Education Support Incentive Program. The Education and Training Vouchers Grant is designed to assist foster care youth in becoming self-sufficient by helping them receive the education, training, and services necessary to obtain employment.

Foster Parent Recruiting and Training. Primary focus is the retention of current foster/adoptive homes while adding new homes to meet the needs of the children. This grant also enables foster parents to receive more intensive therapeutic pre-service and in-service training as well as critical supportive services. Reduces Comprehensive Services Act (CSA) expenses by reducing the number of residential placements for the more difficult to place children.

Independent Living. Assists youth 14-21 years of age in the custody of Social Services in gaining the skills and confidence necessary to care for themselves upon emancipation. Services include educational assistance, vocational training activities, daily living skills, counseling, and coordination with other service providers, outreach services, and activities for youth.

Piedmont Regional Adoption Grant. The primary goal of this state grant is to maximize available resources to meet the growing needs and policy mandates that dictate the permanent placement of children in shorter time periods by continuing to increase a regional pool of assessed adoptive homes. Additional objectives are to increase community awareness and cooperative efforts; to identify and assess community resources to assist with special needs, placements; and to establish a post adoptive support network.

Respite. The Respite Care Grant, funded by the State provides respite care, training and activities for foster families and children residing in foster homes with the goal of preventing placement disruptions. Foster Parents are eligible for up to 30 days of respite care per year with approved respite care providers.

Temporary Assistance for Needy Families (TANF). The TANF Grant provides resources to enhance welfare recipient employment, job retention and monthly earnings.



Social Services Grants

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
SOCIAL SERVICES GRANTS POSITION SUMMARY					
Grant Funded Full-Time	6.0	6.0	4.0	4.0	5.0
Grant Funded Temporary	0.5	0.5	0.0	0.0	0.0
TOTAL FTE	6.5	6.5	4.0	4.0	5.0
SOCIAL SERVICES GRANTS BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Federal Government	\$379,766	\$382,700	\$292,229	\$292,229	\$280,197
Revenue from the Commonwealth	71,860	54,329	60,394	60,394	52,092
Revenue from Asset Forfeiture Fund	2,399	2,628	0	0	0
Revenue from the General Fund	14,462	13,624	15,736	15,736	12,007
TOTAL REVENUES	\$468,487	\$453,281	\$368,359	\$368,359	\$344,296
EXPENDITURES					
Salaries	\$155,695	\$196,506	\$121,726	\$121,726	\$121,726
Employee Benefits	62,545	82,794	56,696	56,696	56,696
Contractual Services	38,711	57,287	53,974	53,974	53,974
Other Charges	211,536	116,694	135,963	135,963	111,900
TOTAL EXPENDITURES	\$468,487	\$453,281	\$368,359	\$368,359	\$344,296
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Social Services Grants Budget Description

The Manager’s Proposed FY 2011 Social Services Grants budget of \$368,359 represents an 18.7% decrease of \$84,922 as compared to the Adopted FY 2010 budget of \$453,281.

Significant changes compared to the Adopted FY 2010 budget include:

- \$100,878 decrease in Salaries and Employee Benefits reflecting the elimination of two vacant Employment Service positions for the TANF Job Retention and Wage Program and a part-time position for the Americorp grant, offset by a higher Virginia Retirement System rate. The TANF grant no longer funds the Employment Service positions; the Americorp grant ends in FY 2010.
- \$3,313 decrease in Contractual Services due to a reduction in funding for the TANF Job Retention and Wage Program.
- \$19,269 increase in Other Charges reflecting increases in state funding for Independent Living and Comprehensive Services Act Providers Grant - Safe and Stable Families programs.

The Proposed FY 2011 Social Services Grants budget was adopted by City Council with the following changes:

- ♦ \$24,063 reduction in Other Charges reflecting the elimination of the Quality Initiative grant that will not be funded in FY 2011.



Community Corrections and Pretrial Services Program Grant. The goal of Community Corrections Program is to reduce jail costs by providing local probation supervision for adult offenders and pretrial investigation and supervision of defendants who are released on bond while awaiting trial. Program services are provided to localities participating in the regional jail including Lynchburg, Bedford City, Bedford County, and Campbell County.

Byrne Memorial Justice Program Grant. The purpose of this program is to provide services to divert persons with mental illness who come into the criminal justice system.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
COMMUNITY CORRECTIONS AND PRETRIAL SERVICES GRANTS POSITION SUMMARY					
Grant Funded Full-Time	8.00	8.00	8.00	8.00	8.00
Grant Funded Part-Time	0.88	1.00	1.48	1.48	1.48
Grant Funded Temporary	0.75	0.00	0.75	0.75	0.75
TOTAL FTE	9.63	9.00	10.23	10.23	10.23
COMMUNITY CORRECTIONS AND PRETRIAL SERVICES GRANTS BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenues from the Commonwealth	\$477,069	\$427,069	\$567,069	\$567,069	\$567,069
TOTAL REVENUES	\$477,069	\$427,069	\$567,069	\$567,069	\$567,069
EXPENDITURES					
Salaries	\$296,601	\$285,017	\$342,816	\$342,816	\$342,816
Employee Benefits	108,133	113,232	124,565	124,565	124,565
Contractual Services	1,126	1,000	2,796	2,796	2,796
Other Charges	71,209	27,820	96,892	96,892	96,892
TOTAL EXPENDITURES	\$477,069	\$427,069	\$567,069	\$567,069	\$567,069
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Community Corrections and Pretrial Services Program Grant Budget Description

The Manager’s Proposed FY 2011 Community Corrections and Pretrial Services Program Grant budget of \$567,069 represents a 32.8% increase of \$140,000 as compared to the Adopted FY 2010 budget of \$427,069.

Significant changes compared to the Adopted FY 2010 budget include:

- \$140,000 overall increase reflecting \$60,000 in additional grant funding for the expansion of Pretrial Services, and \$80,000 for a Byrne grant not previously included in the budget process.

The Proposed FY 2011 Community Corrections and Pretrial Services Program Grant budget was adopted by City Council without changes.



Non-Departmental – Citizens for a Clean Lynchburg Grant. The State of Virginia has assisted localities with ongoing Recycling and Litter Prevention programs which is a part of their Department of Environmental Quality’s Division of Environmental Enhancement. The State’s Litter Prevention Program approves annual grants to localities for recycling and litter control activities, provides information and guidance on litter prevention and recycling topics, and works with localities, and environmental groups on improving awareness of how litter damages the environment.

The City of Lynchburg has been very fortunate to receive one of these grants for over ten years and this funding has been directed to the Citizens for a Clean Lynchburg, Inc. (CCL) organization which provides supplemental support in terms of fund-raising by volunteer groups and coordination of various community-wide efforts to combat littering and encourage recycling (i.e.: March on Litter, City Walkers, and education programs for City schools, etc.) In addition, CCL activities include public relations, community education, and publications to promote citizen awareness of the need for greater litter control and improved recycling.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
NON-DEPARTMENTAL CITIZENS FOR A CLEAN LYNCHBURG GRANT BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Commonwealth	\$14,609	\$11,000	\$11,162	\$11,162	\$11,162
TOTAL REVENUES	\$14,609	\$11,000	\$11,162	\$11,162	\$11,162
EXPENDITURES					
Contractual Services	\$14,243	\$10,500	\$10,527	\$10,527	\$10,527
Other Charges	365	500	635	635	635
TOTAL EXPENDITURES	\$14,609	\$11,000	\$11,162	\$11,162	\$11,162
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Non-Departmental – Citizens for a Clean Lynchburg Grant

The Manager’s Proposed FY 2011 Non-Departmental – Citizens for a Clean Lynchburg Grant budget of \$11,162 represents a 1.5% increase of \$162 as compared to the Adopted FY 2010 budget of \$11,000.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Non-Departmental – Citizens for a Clean Lynchburg Grant budget was adopted by City Council without changes.



Non-Departmental – Workforce Investment Act Grant. Title I Workforce Investment Act (WIA) funds are being allocated to the local workforce investment area (LWIA) for the purpose of providing a single system of employment and training activities for adults and dislocated workers and to provide services for eligible youth. Regional Commission 2000 is acting as the fiscal agent and the City of Lynchburg serves as the local grant recipient.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
NON-DEPARTMENTAL WORKFORCE INVESTMENT ACT GRANT BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Federal Government	\$873,495	\$800,000	\$800,000	\$800,000	\$800,000
TOTAL REVENUES	\$873,495	\$800,000	\$800,000	\$800,000	\$800,000
EXPENDITURES					
Contractual Services	\$873,495	\$800,000	\$800,000	\$800,000	\$800,000
TOTAL EXPENDITURES	\$873,495	\$800,000	\$800,000	\$800,000	\$800,000
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Non-Departmental – Workforce Investment Act Grant Budget Description

The Manager’s Proposed FY 2011 Non-Departmental – Workforce Investment Act Grant budget of \$800,000 represents no changes as compared to the Adopted FY 2010 budget of \$800,000.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Non-Departmental – Workforce Investment Act Grant budget was adopted by City Council without changes.



Community Development Block Grant (CDBG) Fund. The CDBG Program is designed to preserve, rehabilitate and improve low income neighborhoods through low interest loans, rental assistance, rehabilitation of blighted properties and program support. The City receives federal funding each year for the program. Any unexpended funds at year-end are carried forward into the next fiscal year.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
COMMUNITY DEVELOPMENT BLOCK GRANT POSITION SUMMARY					
Grant Funded Full-Time	0.50	0.50	0.50	0.50	0.50
Grant Funded Part-Time	0.00	0.50	0.80	0.80	0.80
TOTAL FTE	0.50	1.00	1.30	1.30	1.30
COMMUNITY DEVELOPMENT BLOCK GRANT BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenues from the Federal Government	\$985,845	\$825,000	\$845,313	\$845,313	\$904,817
Program Income	31,582	50,000	2,030	2,030	2,030
Revenues from the Federal Government - prior year	0	0	2,464	2,464	2,464
Return of funds from LRHA	0	0	63,266	63,266	63,266
Reprogram funds from Bluffwalk	0	0	67,198	67,198	67,198
TOTAL REVENUES	\$1,017,427	\$875,000	\$980,271	\$980,271	\$1,039,775
EXPENDITURES					
Salaries	\$16,586	\$0	\$77,127	\$77,127	\$77,127
Employee Benefits	3,949	0	31,202	31,202	31,202
Contractual Services	820,678	875,000	854,292	854,292	913,796
Internal Service Charges	0	0	0	0	0
Other Charges	53,265	0	17,650	17,650	17,650
Capital Outlay	122,949	0	0	0	0
TOTAL EXPENDITURES	\$1,017,427	\$875,000	\$980,271	\$980,271	\$1,039,775
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

Community Development Block Grant (CDBG) Fund Budget Description

The Manager’s Proposed FY 2011 Community Development Block Grant budget of \$980,271 represents a 12.0% increase of \$105,271 as compared to the Adopted FY 2010 budget of \$875,000.

Significant changes compared to the Adopted FY 2010 budget include:

- \$108,329 increase in Salaries and Benefits reflecting fully funding the Grant Administrator position, and funding an existing Administrative Services Associate (.50 FTE) position with CDBG funds, offset by a higher Virginia Retirement System rate.

The Proposed FY 2011 Community Development Block Grant budget was adopted by City Council with the following change:

- ♦ \$59,504 increase in Contractual Services reflecting additional Federal funding.



Comprehensive Services Act (CSA) Fund. The CSA Program provides services to children and youth who come before the local Family and Planning Assessment Team (FAPT) and the Lynchburg Community Policy Management Team (CPMT). Juvenile Services provides administrative supervision to the CSA staff.

Table with 6 columns: Actual FY 2009, Adopted FY 2010, Department Submitted FY 2011, Manager's Proposed FY 2011, Adopted FY 2011. Rows include: COMPREHENSIVE SERVICES ACT (CSA) FUND POSITION SUMMARY, Grant Funded Full-Time, TOTAL FTE, COMPREHENSIVE SERVICES ACT (CSA) FUND BUDGET SUMMARY, BEGINNING UNDESIGNATED FUND BALANCE, REVENUES (Intergovernmental, Transfer from General Fund, etc.), EXPENDITURES (Salaries, Employee Benefits, etc.), and ENDING UNDESIGNATED FUND BALANCE.

Comprehensive Services Act (CSA) Fund Budget Description

The Manager's Proposed FY 2011 Comprehensive Services Act Fund budget of \$5,073,600 represents a 41.8% increase of \$1,494,727 as compared to the Adopted FY 2010 budget of \$3,578,873.

Significant changes compared to the Adopted FY 2010 budget include:

- \$20,382 decrease in Salaries and Employee Benefits reflecting the transfer of costs related to a part-time Prevention Specialist position for the City's Truancy Program to the Juvenile Services General Fund budget, offset by a higher Virginia Retirement System rate.
\$1,515,905 increase in mandated and non-mandated services reflecting additional needs for services.

The Proposed FY 2011 Comprehensive Services Act Fund budget was adopted by City Council without changes.



HOME Investment Partnerships Program Fund. The Program is designed to assist first-time, low-income homebuyers with the purchase of a home, as well as rehabilitation of owner-occupied homes and rehabilitation of vacant properties for occupancy. The City receives federal funding each year for this program. Any unexpended funds at year-end are carried forward into the next fiscal year.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
HOME INVESTMENT PARTNERSHIPS FUND POSITION SUMMARY					
Grant Funded Full-Time	0.50	0.50	0.25	0.25	0.25
TOTAL FTE	0.50	0.50	0.25	0.25	0.25
HOME INVESTMENT PARTNERSHIPS FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0
REVENUES					
Revenue from the Federal Government	\$209,188	\$420,000	\$471,162	\$471,162	\$467,942
Program Income	4,212	0	0	0	0
TOTAL REVENUES	\$213,400	\$420,000	\$471,162	\$471,162	\$467,942
EXPENDITURES					
Salaries	\$14,222	\$0	\$11,560	\$11,560	\$11,560
Employee Benefits	3,836	0	4,793	4,793	4,793
Contractual Services	193,726	420,000	454,809	454,809	451,589
Other Charges	1,616	0	0	0	0
TOTAL EXPENDITURES	\$213,400	\$420,000	\$471,162	\$471,162	\$467,942
ENDING DESIGNATED FUND BALANCE	\$0	\$0	\$0	\$0	\$0

HOME Investment Partnerships Program Fund Budget Description

The Manager’s Proposed FY 2011 HOME Investment Partnerships Program Fund budget of \$471,162 represents a 12.2% increase of \$51,162 as compared to the Adopted FY 2010 budget of \$420,000.

Significant changes compared to the Adopted FY 2010 budget include:

- \$51,162 increase in Entitlement funding.

The Proposed FY 2011 HOME Investment Partnerships Program Fund budget was adopted by City Council with the following change:

- ◆ \$3,220 reduction in Contractual Services reflecting reduced Federal funding.



Lynchburg Expressway Appearance Fund (LEAF) Special Revenue Fund. The Lynchburg Expressway Appearance Fund (LEAF) accounts for any pledges and donations from citizens and businesses for the beautification of major transportation corridors throughout the City by the planting of trees, shrubs, and flowerbeds.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
LYNCHBURG EXPRESSWAY APPEARANCE FUND (LEAF) SPECIAL REVENUE FUND BUDGET SUMMARY					
BEGINNING FUND BALANCE					
Undesignated Fund Balance	\$3,577				
Reserve for Encumbrances	\$1,906				
TOTAL BEGINNING FUND BALANCE	\$5,483	\$3,576	(\$7,594)	(\$7,594)	(\$7,594)
REVENUES					
Revenue from pledges and donations ¹	\$8,233	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$8,233	\$0	\$0	\$0	\$0
EXPENDITURES					
Contractual Services	\$21,310	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$21,310	\$0	\$0	\$0	\$0
ENDING FUND BALANCE	(\$7,594)	\$3,576	(\$7,594)	(\$7,594)	(\$7,594)

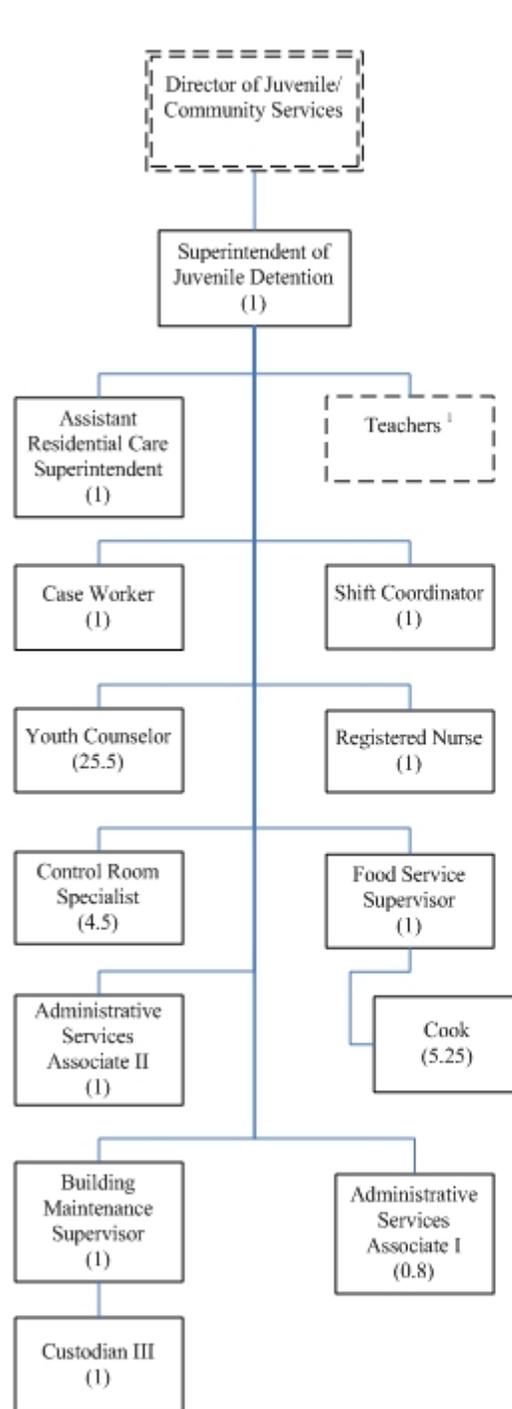
¹ The Lynchburg Expressway Appearance (LEAF) Fund currently shows a deficit fund balance. The deficit is a result of spreading revenue over five and ten years based upon individual contracts. While the fund has adequate cash for operations, the related revenue is recognized as it is earned.

Lynchburg Expressway Appearance Fund (LEAF) Special Revenue Fund Budget Description

No funds are requested for FY 2011.



REGIONAL JUVENILE DETENTION CENTER



POSITION SUMMARY	
45.05 City Funded Positions	
2.50 Temporary Positions	
<hr/>	
47.55 Total Funded Positions	

¹ Administered by the Lynchburg City Schools



Regional Juvenile Detention Center Fund. The Center provides a secure facility to house and care for juvenile offenders in the cities of Lynchburg and Bedford as well as the counties of Amherst, Appomattox, Bedford, Campbell, Charlotte, and Nelson under the purview of the law who are awaiting disposition of their charges by the Juvenile and Domestic Relations Court or transportation to a state facility. The Lynchburg Regional Juvenile Detention Center Advisory Board provides guidance and insight to the operations of the Detention Center.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
REGIONAL JUVENILE DETENTION CENTER FUND POSITION SUMMARY					
City Funded Full-Time	42.00	41.00	40.00	40.00	40.00
City Funded Part-Time	5.05	5.05	5.05	5.05	5.05
City Funded Temporary	2.50	2.50	2.50	2.50	2.50
TOTAL FTE	49.55	48.55	47.55	47.55	47.55
REGIONAL JUVENILE DETENTION CENTER FUND BUDGET SUMMARY					
BEGINNING FUND BALANCE					
Designated Fund Balance	\$73,000				
Encumbrances	42,236				
TOTAL BEGINNING FUND BALANCE	\$115,236	\$0	\$0	\$0	\$0
REVENUES					
Charges for Services	\$1,678,032	\$1,751,123	\$1,799,662	\$1,799,662	\$1,799,662
Intergovernmental	1,182,777	1,179,442	1,140,340	1,140,340	1,140,340
TOTAL	\$2,860,809	\$2,930,565	\$2,940,002	\$2,940,002	\$2,940,002
EXPENDITURES					
Salaries	\$1,483,854	\$1,498,950	\$1,441,444	\$1,441,444	\$1,441,444
Employee Benefits	566,615	587,813	594,931	594,931	594,931
Contractual Services	40,822	38,350	38,350	38,350	38,350
Internal Services	8,650	8,957	7,100	7,100	7,100
Other Charges	536,627	514,484	564,669	564,669	564,669
Debt Service	214,789	282,011	293,508	293,508	293,508
Capital Outlay	38,759	0	0	0	0
TOTAL	\$2,890,116	\$2,930,565	\$2,940,002	\$2,940,002	\$2,940,002
ENDING FUND BALANCE					
Designated Fund Balance	\$85,929	\$0	\$0	\$0	\$0
TOTAL ENDING FUND BALANCE	\$85,929	\$0	\$0	\$0	\$0

Regional Juvenile Detention Center Fund Budget Description

The Manager's Proposed FY 2011 Regional Juvenile Detention Center Fund budget of \$2,940,002 represents a 0.3% increase of \$9,437 as compared to the Adopted FY 2010 budget of \$2,930,565.

Significant changes compared to the Adopted FY 2010 budget include:

- \$50,388 decrease in Salaries and Employee Benefits reflecting a reduction in work force, offset by a higher Virginia Retirement System rate.
- \$1,857 decrease in Fleet reflecting recommendations from Fleet Administration.
- \$50,185 increase in Other Charges reflecting the restoration of the 3% pay cut imposed in FY 2010, as well as reductions in food and indirect cost.
- \$11,497 increase in Debt Service reflecting the change in the 2011 allocations.

The Proposed FY 2011 Regional Juvenile Detention Center Fund budget was adopted by City Council without changes.



RISK MANAGEMENT OFFICE

POSITION SUMMARY
.....
3.1 City Funded Positions

3.1 Total Funded Positions





Risk Management Fund. The Risk Management Program was established by City Council effective January 1, 1986, as an alternative to the routine procurement of general liability and automobile liability insurance policies from commercial insurance companies. The program is funded through annual contributions from the General, Water, Sewer, Airport, and Regional Juvenile Detention Funds interest income. The claims placed in this fund are expended in lieu of insurance to settle liability claims filed against the City.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
RISK MANAGEMENT FUND POSITION SUMMARY					
City Funded Full-Time	3.1	3.1	2.1	3.1	3.1
TOTAL FTE	3.1	3.1	2.1	3.1	3.1
RISK MANAGEMENT FUND BUDGET SUMMARY					
BEGINNING FUND BALANCE					
Undesignated Fund Balance	\$2,733,683	\$2,793,683	\$2,822,838	\$2,822,838	\$2,822,838
Encumbrances	11,641	0	0	0	0
TOTAL BEGINNING FUND BALANCE	\$2,745,324	\$2,793,683	\$2,822,838	\$2,822,838	\$2,822,838
REVENUES					
General Fund	\$757,504	\$602,473	\$529,553	\$602,539	\$602,539
Water Fund	150,538	148,191	148,191	148,191	148,191
Sewer Fund	121,448	120,839	120,839	120,839	120,839
Sewer Fund - Treatment Plant	75,268	73,047	73,047	73,047	73,047
Airport Fund	46,604	57,233	57,233	57,233	57,233
Juvenile Detention Home	19,240	18,835	18,835	18,835	18,835
Interest Earnings	55,179	35,000	35,000	35,000	35,000
Subrogation	59,906	25,000	25,000	25,000	25,000
TOTAL REVENUES	\$1,285,687	\$1,080,618	\$1,007,698	\$1,080,684	\$1,080,684
DEPARTMENTAL					
Salaries	\$157,336	\$166,111	\$115,234	\$167,234	\$167,234
Employee Benefits	56,695	62,625	45,975	66,961	66,961
Contractual Services	900	2,801	2,801	2,801	2,801
Internal Service Charges	5,363	9,031	9,031	9,031	9,031
Other Charges	14,787	12,346	12,346	12,346	12,346
TOTAL DEPARTMENTAL EXPENDITURES	\$235,081	\$252,914	\$185,387	\$258,373	\$258,373
NON-DEPARTMENTAL					
Insurance and Claims	\$1,031,423	\$767,732	\$767,732	\$767,732	\$767,732
TOTAL NON-DEPARTMENTAL EXPENDITURES	\$1,031,423	\$767,732	\$767,732	\$767,732	\$767,732
TOTAL EXPENDITURES	\$1,266,504	\$1,020,646	\$953,119	\$1,026,105	\$1,026,105
ENDING FUND BALANCE					
Undesignated Fund Balance	\$2,762,866	\$2,853,655	\$2,877,417	\$2,877,417	\$2,877,417
Encumbrances	1,641	0	0	0	0
TOTAL ENDING FUND BALANCE	\$2,764,507	\$2,853,655	\$2,877,417	\$2,877,417	\$2,877,417



Risk Management Fund Budget Description

The Manager's Proposed FY 2011 Risk Management Fund budget of \$1,026,105 represents a 0.1% decrease of \$541 as compared to the Adopted FY 2010 budget of \$1,020,646.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Risk Management Fund budget was adopted by City Council without changes.



Risk Management Performance Measures

Goal 1: Reduce safety and loss control hazards to lessen or prevent injuries to employees and citizens, while protecting city assets from damage or destruction.				
Objective: Inspect 5% of City owned facilities and buildings (approximately 13) annually, recommending corrective measures to departments when required. The City owns approximately 250 buildings/facilities.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
% of facilities inspected with comprehensive repairs sent to departments.	0% - due to vacancy in the Safety Specialist position	13%	13%	10%
Analysis of the Data: Site inspections are performed and detailed reports, including photographs, are sent to each department. Due to a vacant Safety Specialist position in the second half of fiscal year 2009, no building inspections were performed. Although 5% was projected, due to filling the vacant Safety Specialist position in January 2009 the stated goal was exceeded. A total of 13% of properties were inspected. With the vacancy of the Public Works Safety Coordinator position since January 2010, the Safety Specialist is providing the primary safety and training resource for that department of 125+ employees. This has reduced the time the Safety Specialist is able to devote to facility and building inspections. This measure will change when the vacant Public Works Safety Coordinator position is filled.				

Goal 2: Assist all city departments to achieve OSHA compliance, reduce employee injuries, and lower the cost associated with workers compensation claims.				
Objective: Evaluate each department's progress towards OSHA compliance. To assist and monitor department progress towards OSHA compliance.				
Performance Measure:	Actual FY 2009	Projected FY 2010	July - Dec FY 2010	Projected FY 2011
Percent of departments evaluated for OSHA compliance.	20%	60%	40%	30%
Analysis of the Data: Departmental progress will be monitored, detailing Risk Management assistance and cooperative efforts within departments. With this being the primary responsibility of the Safety Specialist, 40% of departments received OSHA compliance evaluations to assess their needs in order to reach compliance. With the vacancy of the Public Works Safety Coordinator position since January 2010, the Safety Specialist is providing the primary safety and training resource for that department of 125+ employees. This has reduced the time the Safety Specialist is able to devote to OSHA required training and evaluations with the remainder of the City departments. This measure will change when the vacant Public Works Safety Coordinator position is filled.				

Benchmark Localities:
Charlottesville, Hampton, Petersburg, Portsmouth, and Roanoke, VA



Special Welfare Fund. Accounts for monies received by Social Services to be used for those persons in the custody of the City and those receiving public assistance. The funds received are Christmas donations for children in the City’s custody as well as restitution payments made by individuals who received public assistance for food stamps and fuel. Those monies are not part of the locality’s reimbursements for regular program and administrative costs incurred by the City in delivering services to the citizens. Also, funds are received from the Health Department for pre-screening of clients by Social Workers. These funds are used for various Social Services expenses.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
SPECIAL WELFARE FUND BUDGET SUMMARY					
BEGINNING DESIGNATED FUND BALANCE	\$53,295	\$47,570	\$52,172	\$52,172	\$52,172
REVENUES					
Donations and Restitutions	\$19,603	\$18,000	\$18,000	\$18,000	\$18,000
Interest	715	2,000	2,000	2,000	2,000
Revenue from the Commonwealth	5,547	8,500	8,500	8,500	8,500
TOTAL REVENUES	\$25,865	\$28,500	\$28,500	\$28,500	\$28,500
EXPENDITURES					
Christmas Fund	\$7,322	\$8,000	\$8,000	\$8,000	\$8,000
Special Items Program	0	400	400	400	400
Supplemental Security Income	0	0	0	0	0
Food Stamps Restitution	7,037	7,000	7,000	7,000	7,000
Interest /Fiscal Relief	4,803	7,000	7,000	7,000	7,000
Fuel Restitution	42	550	550	550	550
Miscellaneous Other Expenses	(2,966)	15,000	15,000	15,000	15,000
Welfare Advisory Board	0	800	800	800	800
Fuel Assistance	0	500	500	500	500
TOTAL EXPENDITURES	\$16,238	\$39,250	\$39,250	\$39,250	\$39,250
ENDING DESIGNATED FUND BALANCE	\$62,922	\$36,820	\$41,422	\$41,422	\$41,422

Special Welfare Fund Budget Description

The Manager’s Proposed FY 2011 Special Welfare Fund budget of \$39,250 represents no change as compared to the Adopted FY 2010 budget of \$39,250.

No significant changes are proposed by the City Manager.

The Proposed FY 2011 Special Welfare Fund budget was adopted by City Council without changes.



Stadium Fund. Supports the operations and maintenance of Lynchburg City Stadium and Calvin Falwell Field per the Memorandum of Understanding updated December 2005.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
STADIUM FUND BUDGET SUMMARY					
BEGINNING FUND BALANCE					
Undesignated Fund Balance	\$314,042	\$305,556	\$275,371	\$275,371	\$275,371
Reserve for Encumbrances	178	0	0	0	0
TOTAL BEGINNING FUND BALANCE	\$314,220	\$305,556	\$275,371	\$275,371	\$275,371
REVENUES					
Meals and Sales Tax	\$32,961	\$36,000	\$36,000	\$36,000	\$36,000
Advertising	295,072	344,000	335,000	335,000	335,000
Skybox Rental	125,074	178,000	175,000	175,000	175,000
Concessions	487,039	531,000	491,000	491,000	491,000
Admissions	236,745	295,000	305,000	305,000	305,000
Merchandise Sales	81,036	90,000	90,000	90,000	90,000
Special Promotions	98,377	125,000	132,000	132,000	132,000
Miscellaneous	120,364	129,000	136,000	136,000	136,000
General Fund Transfer	352,795	341,654	318,130	318,130	318,130
TOTAL REVENUES	\$1,829,463	\$2,069,654	\$2,018,130	\$2,018,130	\$2,018,130
EXPENDITURES					
Operating - Departmental	\$118,544	\$118,166	\$113,378	\$113,378	\$113,378
Operating - Non-Departmental	1,575,168	1,505,500	1,498,300	1,498,300	1,498,300
Debt Service	222,252	223,487	209,752	209,752	209,752
TOTAL EXPENDITURES	\$1,915,964	\$1,847,153	\$1,821,430	\$1,821,430	\$1,821,430
ENDING FUND BALANCE					
Undesignated Fund Balance	\$227,059	\$528,057	\$472,071	\$472,071	\$472,071
Reserved Fund Balance	660	0	0	0	0
TOTAL ENDING FUND BALANCE	\$227,719	\$528,057	\$472,071	\$472,071	\$472,071

Stadium Fund Budget Description

The Manager’s Proposed FY 2011 Stadium Fund budget of \$1,821,430 represents a 1.4% decrease of \$25,723 as compared to the Adopted FY 2009 budget of \$1,847,153.

Significant changes compared to the Adopted FY 2010 budget include:

- \$23,524 decrease in the General Fund subsidy reflecting a reduction in operating costs.

The Proposed FY 2011 Stadium Fund budget was adopted by City Council without changes.



Technology Fund. This fund provides for the ongoing replacement and enhancement of the City's technology infrastructure.

	Actual FY 2009	Adopted FY 2010	Department Submitted FY 2011	Manager's Proposed FY 2011	Adopted FY 2011
TECHNOLOGY FUND BUDGET SUMMARY					
BEGINNING FUND BALANCE					
Undesignated Fund Balance	\$1,927,860	\$1,000,287	\$1,662,994	\$1,662,994	\$1,662,994
Encumbrances	19,241	0	0	0	0
TOTAL BEGINNING FUND BALANCE	\$1,947,101	\$1,000,287	\$1,662,994	\$1,662,994	\$1,662,994
REVENUES					
Use of Money and Property	\$41,038	\$30,000	\$20,000	\$20,000	\$20,000
Miscellaneous	20,531	0	0	0	0
Transfer from General Fund	782,113	647,199	624,347	624,347	624,347
TOTAL REVENUES	\$843,682	\$677,199	\$644,347	\$644,347	\$644,347
EXPENDITURES					
Contractual Services	\$224,149	\$352,370	\$315,834	\$360,100	\$360,100
Other Charges	292,872	335,607	257,500	129,500	129,500
Capital Outlay	115,393	102,000	401,000	401,000	401,000
TOTAL EXPENDITURES	\$632,414	\$789,977	\$974,334	\$890,600	\$890,600
ENDING FUND BALANCE					
Undesignated Fund Balance	\$2,069,797	\$887,509	\$1,333,007	\$1,416,741	\$1,416,741
Encumbrances	88,571	0	0	0	0
TOTAL ENDING FUND BALANCE	\$2,158,368	\$887,509	\$1,333,007	\$1,416,741	\$1,416,741

Technology Fund Budget Description

The Manager's Proposed FY 2011 Technology Fund budget of \$890,600 represents a 12.7% percent increase of \$100,623 as compared to the Adopted FY 2010 budget of \$789,977.

Significant changes compared to the Adopted FY 2010 budget include:

- \$7,730 net increase in Contractual Services reflecting increases in communications maintenance, repair services, systems consulting, and a web content manager project to improve civic engagement and education; offset by decreases in software purchases, on-site training, and building maintenance and repair services.
- \$206,107 decrease in Other Charges reflecting fewer projects affecting these expense areas.
- \$299,000 increase in Capital Outlay reflecting a database server platform upgrade and a network switch upgrade.

The Proposed FY 2011 Technology Fund budget was adopted by City Council without changes.



HISTORICAL QUOTE:

“On the 7th of October I arrived in the town of Lynchburg after an absence from it of nearly three years. I was astonished at the changes which, during this period, had been made. New streets opened, new buildings erected, bustle and activity in every direction, showed it to be a place of considerable and growing importance. The business part of town lies at the foot of a hill, along the margin of the river, quite convenient to the boat navigation; and when the improvements, now begun, shall have been completed, it will be neat, agreeable, and sufficiently handsome. At a little distance from the river the ground is broken into hills, which afford various pleasant and almost picturesque prospects to the beholder. On these hills, quite decent houses for family residences are rising up with great rapidity.”

John Holt Rice, “An Excursion into the Country” 1818

-- S. Allen Chambers, Lynchburg An Architectural History,

University Press of Virginia, 1982.